

# Briefing on Minimum Unit Pricing

April 2018



**On Tuesday 1 May Scotland will become the first country in the world to implement a minimum unit price for alcohol (MUP), following a ten year campaign.** The final legislative step was cleared on Wednesday 25 April when the Scottish Parliament unanimously approved secondary legislation setting the price at 50 pence per unit. **From 1 May no alcohol in Scotland will be sold for less than 50p per unit.**

MUP is expected to deliver significant health and social benefits. **In the first year alone, MUP is expected to save 58 lives and reduce hospital admissions by 1,299.** These effects build over time. **At full effect, by year 20, MUP is expected to save 121 lives and reduce admissions by 2,042 each year.**

The Scottish Government first announced its intention to pursue MUP as part of its alcohol strategy, *Changing Scotland's Relationship with Alcohol*, published in 2009. The minority SNP government sought to legislate for MUP as part of the Alcohol etc. (Scotland) Act 2010, but the Scottish Parliament voted to remove the MUP provisions. A subsequent attempt by the majority SNP government resulted in the **Alcohol (Minimum Pricing) (Scotland) Act being passed in 2012.**

The Act was subject to several legal appeals by the Scottish Whisky Association and others. **A final appeal to the UK Supreme Court failed in November 2017**, enabling the Scottish Government to proceed to implement the legislation some six years after it was first passed.

The legislation includes a '**sunset clause**', meaning that it will expire after six years unless the Scottish Parliament passes an order to extend it. To inform this decision there is a 'review clause' requiring that the Minister presents a review report to parliament on the impact of MUP after five years of its operation. NHS Health Scotland have been tasked with leading an independent evaluation of MUP and production of the review report as part of the Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS) programme.

Some Canadian provinces operate variants of an MUP but no country has implemented this model - which focuses solely on alcohol content, not the type of product - throughout its jurisdiction. **Legislation to establish a minimum unit price is currently under consideration in the Welsh Assembly and the Irish Oireachtas.** The government of the Northern Territories in Australia has also announced its intention to implement MUP.



## Background to Minimum Unit Pricing (MUP)

### *What is minimum pricing?*

A minimum price for alcohol sets a floor price for a unit of alcohol. It won't affect every alcoholic drink – only those sold at less than 50p per unit. For example, a can of lager or cider containing 2 units of alcohol will have to cost at least £1.<sup>1</sup> Drinks like strong white cider, super strength lager and own brand vodka or gin are most likely to be affected. It is currently possible to buy a 3 litre bottle of cider for £3.99: equivalent to 18p per unit.<sup>2</sup>

Minimum pricing will not affect pubs, clubs and restaurants because their drinks are already sold at more than 50p a unit.

### *Why do we need minimum pricing in Scotland?*

Alcohol is 60% more affordable today than it was 30 years ago.<sup>3</sup> Scots buy the vast majority (73%) of their alcohol from shops and supermarkets.<sup>3</sup> When something becomes more affordable, people tend to buy (and consume) more of it. The more people drink, the more alcohol-related diseases and social problems increase.

Alcohol consumption and deaths are significantly higher in Scotland than the rest of the UK; Scots drink 17% more than the English/Welsh<sup>4</sup> and our deaths rates are twice the level of England and Wales.<sup>5</sup>

Once implemented, Scotland will become the first country in the world to establish a minimum unit price for alcohol (some provinces in Canada operate variants of minimum pricing). Legislation to establish a minimum price is currently under active consideration by the National Assembly for Wales and by the Irish Oireachtas.

The next page provides a timeline of key events in MUP policy in Scotland.

## MUP Timeline

<b>January 2008</b>	Scottish Health Action on Alcohol Problems (SHAAP) publishes <i>Price, Policy and Public Health</i> , a report of an Expert Workshop which includes a recommendation that “The Scottish Government should establish minimum prices for alcoholic drinks”.
<b>June 2008</b>	Scottish Government publishes <i>Changing Scotland’s Relationship with Alcohol: A Discussion Paper</i> on our strategic approach which committed the government to taking a whole population approach to reduce consumption and harm and included a “robust package of measures”, including seeking views on “the principles on which a minimum pricing scheme for alcohol products should be established”.
<b>March 2009</b>	Scottish Government publishes <i>Changing Scotland’s Relationship with Alcohol: A Framework for Action</i> , including a commitment to implement minimum unit pricing as one of over 40 measures to reduce consumption and harm.
<b>September 2010</b>	Scottish Parliament votes to remove provisions on minimum pricing from the Alcohol etc. (Scotland) Act 2010.
<b>24 May 2012</b>	<b>Alcohol (Minimum Pricing) (Scotland) Act is passed unopposed by the Scottish Parliament.</b>
<b>29 June 2012</b>	Alcohol (Minimum Pricing) (Scotland) Act receives Royal Assent.
<b>January 2013</b>	Whisky Association (SWA) and other European wine and spirit trade associations seek judicial review of MUP on the basis that it is unlawful.
<b>May 2013</b>	Outer House of Court of Session rules <b>MUP is lawful.</b>
<b>February 2014</b>	SWA appeals Outer House ruling.
<b>December 2015</b>	European Court of Justice issues an opinion but says it is for <b>national court to determine whether MUP meets proportionality test.</b>
<b>October 2016</b>	Inner House of Court of Session concludes that <b>MUP is lawful.</b>
<b>November 2017</b>	UK Supreme Court unanimously dismisses the appeal by the Scotch Whisky Association and others, <b>ruling that the Alcohol (Minimum Pricing) (Scotland) Act 2012 does not breach EU law, and that minimum pricing is appropriately targeted, lawful and proportionate.</b>
<b>25 April 2018</b>	Scottish Parliament unanimously approves the Alcohol (Minimum Price per Unit) (Scotland) Order 2018, setting <b>the minimum price at 50 pence per unit.</b>
<b>1 May 2018</b>	<b>Implementation of minimum price.</b>
<b>April 2023 - April 2024</b>	<i>Scottish Government to report to Scottish Parliament on “the operation of and effect of minimum unit pricing” during the five years of its operation.</i>
<b>30 April 2024</b>	<i>Minimum pricing expires if Scottish Parliament does not approve an order to extend it.</i>

## *What difference will it make?*

### **1. Minimum pricing will save lives. In the first year alone, minimum pricing could prevent 58 alcohol-related deaths, 1,299 hospital admissions<sup>6</sup> and 3,500 crimes.<sup>7</sup>**

Modelling by the University of Sheffield suggests that minimum pricing will save lives, improve health and reduce crime. The most recent Sheffield research (April 2016) estimated that the proposed minimum price of 50p per unit would result in the following benefits by full effect of the policy (year 20)<sup>6</sup>:

- Reduction in alcohol consumption of 3.5% or 26.3 units per drinker per year
- Alcohol related deaths would fall by about 120 per year
- A fall in hospital admissions of 2,000 per year.

### **2. Minimum pricing targets the heaviest drinkers because they buy most of the cheapest, strongest alcohol like white cider and own-brand spirits.**

Minimum pricing is particularly effective at reducing the amount of alcohol drunk by harmful drinkers as they tend to buy most of the cheap alcohol that is affected by minimum pricing (impact on moderate drinkers is estimated to be around an extra £2 per year).<sup>6</sup>

A minimum unit price of 50p per unit is expected to result in a 7% reduction in alcohol consumption in harmful drinkers (roughly equivalent to 8 bottles of vodka or 25 bottles of wine), and a 2.5% reduction in consumption by hazardous drinkers.<sup>6</sup> For people drinking heavily, even small reductions in consumption can have big health benefits. Minimum pricing will also help to prevent alcohol problems from developing in the first place.

### **3. Minimum pricing will particularly benefit hazardous and harmful drinkers living in poverty.**

Though poorer households are less likely to buy and consume alcohol, they are disproportionately more likely to suffer the harms associated with drinking.<sup>8</sup> Those living in Scotland's most deprived areas are 6 times more likely to die and 8 times more likely to be hospitalised due to alcohol than those in our least deprived communities.<sup>3</sup>

Health gains of minimum pricing are greatest in hazardous and particularly harmful drinkers in poverty, with 46% of the lives saved by a minimum unit price from these drinkers in lower socio-economic groups.<sup>9</sup> Similar patterns are observed for hospital admissions.<sup>10</sup>

### **4. Minimum pricing only affects shops and supermarkets.**

Drinks in pubs and restaurants already cost more than 50p per unit so won't change under minimum pricing; the average price per unit sold in shops and supermarkets is 53p per unit compared to £1.79 in the on-trade.<sup>4</sup> The impact on alcohol consumption and harm will be significant however, as the majority (73%) of alcohol is bought from shops and supermarkets for consumption at home.<sup>3</sup>

### **5. Minimum pricing is widely supported.**

Minimum pricing is supported by the public, politicians, doctors, police, homelessness services, children's charities and parts of the licensed trade.

### ***What happens now?***

From 1 May 2018 minimum unit pricing will become a new mandatory condition of a premises and occasional licence in Scotland, so will apply to all businesses, organisations and persons holding a premises or occasional licence in Scotland. Failure to comply with a licence condition is a serious matter and can lead to a premises licence review; and could lead to revocation. Licensing Standards Officers will be responsible for monitoring compliance with minimum unit pricing.

The legislation also contains what is known as a 'sunset clause'. This means that it will expire after the sixth year of implementation unless the Scottish Parliament votes for it to continue. To inform this decision there is a 'review clause' requiring that the Minister presents a review report to parliament on the impact of MUP after five years of its operation.

The Scottish Government has tasked NHS Health Scotland, under the Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS) work programme, with leading an [independent evaluation of MUP](#) and producing the review report. The evaluation will consider the impact of MUP on alcohol producers and licence holders, and the impact on the licensing objectives set in the Licensing (Scotland) Act 2005 (e.g. preventing crime and disorder, protecting and improving public health, and protecting children and young people from harm).

### ***Alcohol Focus Scotland's Role***

[Alcohol Focus Scotland](#), along with [Scottish Health Action on Alcohol Problems \(SHAAP\)](#), has been at the forefront of the campaign to establish minimum unit pricing in Scotland over the last ten years. As a key source of expertise on alcohol harm and evidence-based interventions in Scotland, AFS helped to build understanding of the evidence base and support for MUP as one of the main ways in which to prevent and reduce alcohol harm in Scotland. We have produced research and policy briefings, contributed to Parliamentary debates and undertaken extensive media work on MUP. We have undertaken price surveys which highlight how cheaply alcohol is sold, the most recent of which is [here](#). AFS also made a written intervention in the MUP court case, believed to be a first for an NGO, in order to demonstrate civic society's support for the policy.



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<sup>1</sup> Price of a product = price per unit (0.50) x strength of alcohol x volume (litres) x 100. For example, the minimum price for a standard sized (700ml) bottle of spirits at 37.5% ABV would be £13.13 (0.50 x 37.5/100 x 0.7 x 100 = £13.13).

<sup>2</sup> Alcohol Focus Scotland (2016). *Scottish Alcohol Price Survey 2016*. Glasgow: Alcohol Focus Scotland.

<http://www.alcohol-focus-scotland.org.uk/media/152485/Scottish-price-check-2016.pdf>

<sup>3</sup> Giles, L., & Robinson, M. (2017). *Monitoring and Evaluating Scotland's Alcohol Strategy: Monitoring Report 2017*. Edinburgh: NHS Health Scotland.

<sup>4</sup> NHS Health Scotland (2017). *Alcohol Price in Scotland in 2016*. Edinburgh: NHS Health Scotland.

<sup>5</sup> Office of National Statistics, November 2017, *Alcohol-specific deaths in the UK: registered in 2016*:

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/causesofdeath/bulletins/alcoholrelateddeathsintheunitedkingdom/registeredin2016#main-points>

<sup>6</sup> Angus, C., Holmes, J., Pryce, R., Meier, P. & Brennan, P. (2016). *Model-based appraisal of the comparative impact of Minimum Unit Pricing and taxation policies in Scotland An adaptation of the Sheffield Alcohol Policy Model version 3*. ScHARR, University of Sheffield,

[https://www.sheffield.ac.uk/polopoly\\_fs/1.565373!/file/Scotland\\_report\\_2016.pdf](https://www.sheffield.ac.uk/polopoly_fs/1.565373!/file/Scotland_report_2016.pdf)

<sup>7</sup> Meng, Y., Hill-McManus, D., Brennan, A., & Meier, P. (2012). *Model-based appraisal of Alcohol Minimum Pricing and Off-Licensed trade discount bans in Scotland using the Sheffield Alcohol Policy Model (v 2): Second Update based on newly available data*. Sheffield: ScHARR, University of Sheffield.

[https://www.sheffield.ac.uk/polopoly\\_fs/1.150021!/file/scotlandupdatejan2012.pdf](https://www.sheffield.ac.uk/polopoly_fs/1.150021!/file/scotlandupdatejan2012.pdf)

<sup>8</sup> Smith, K. & Foster, J. (2014) *Alcohol, Health Inequalities and the Harm Paradox: Why some groups face greater problems despite consuming less alcohol*. London: Institute of Alcohol Studies.

<sup>9</sup> Angus, C. (2017, November 23). Why minimum unit pricing is not a tax on the poor. *Institute of Alcohol Studies*.

Retrieved from <http://www.ias.org.uk/Blog/Why-minimum-unit-pricing-is-not-a-tax-on-the-poor.aspx>

<sup>10</sup> Meier, P. et al (2016), Estimated Effects of Different Alcohol Taxation and Price Policies on Health Inequalities: A Mathematical Modelling Study, *PLOS Medicine*. doi: <http://dx.doi.org/10.1371/journal.pmed.1001963>

