POLICY NOTE

THE ALCOHOL (MINIMUM PRICE PER UNIT) AMENDMENT (SCOTLAND) ORDER 2020

SSI 2020/81

The above instrument ("the draft Order") was made in exercise of the powers conferred by paragraphs 6A(4) and (6) of schedule 3, and paragraphs 5A(4) and (6) of schedule 4, of the Licensing (Scotland) Act 2005. The draft Order is subject to affirmative procedure.

Purpose of the instrument
The purpose of the instrument is to clarify the position for certain wholesalers as regards compliance with minimum unit pricing of alcohol.

Policy Objectives

The Alcohol (Minimum Price per Unit) (Scotland) Order 2018 (SSI 2018 Number 135) ("the 2018 Order") came into force on 1 May 2018. It was made in reliance of the enabling powers in paragraph 6A(3) of schedule 3 and paragraph 5A(3) of schedule 4 of the Alcohol (Minimum Pricing) (Scotland) Act 2012, and provides that the minimum price per unit of alcohol is 50 pence.

Scotland's minimum pricing policy was introduced with the aim of reducing alcohol consumption by setting a floor price below which alcohol cannot be sold. In particular, it targets a reduction in consumption of alcohol which is cheap relative to its strength. Minimum unit pricing achieves this aim because it takes both a whole population approach and provides a targeted intervention. It applies to the whole population, but hazardous and harmful drinkers are likely to be affected more than moderate drinkers, in terms of the amount they drink, how much they spend and how much they benefit from reductions in harm. Minimum unit pricing, therefore, effectively targets those individuals whose drinking puts them most at risk of harm.

When the 2018 order came into force, a technical issue was raised about the application of minimum unit pricing to wholesale businesses which have premises licences. Minimum unit pricing applies to the retail price of alcohol. The Scottish Government is clear that minimum unit pricing does not apply to sales to trade, regardless of whether the wholesaler holds a premises licence. In order to make this absolutely clear, the draft Order amends the 2018 Order. This amendment clarifies that minimum unit pricing does not apply to sales to trade. The draft Order also provides a definition of "sales to trade" for the purposes of the 2018 Order.

Consultation

To comply with Article 9 of Regulation (EC) No.178/2002, a public consultation took place from 3 August 2018 to 26 October 2018. As a result of that consultation, from a total number of responses of 11, 10 responded to the proposed legislative change. Of these 10 (5 organisations; 5 individuals), 8 (73%) indicated that they are in favour of the proposed legislative change.

A full list of those consulted and who agreed to the release of this information is attached to the consultation report published on the Scottish Government website. It includes responses from organisations and individuals.

The consultation did not bring to light any new, relevant evidence. The Scottish Government has concluded that the proposed method of clarifying the position for certain wholesalers as regards compliance with minimum unit pricing is justified in order to achieve the necessary clarification.

Impact Assessments
An equality impact assessment was not completed for this instrument as one was completed for the Bill for the Alcohol (Minimum Pricing) (Scotland) Act 2012 which established the principles of the minimum unit pricing policy. The assessment concluded that the policy does not specifically target particular groups or sections of society but applies equally to all alcohol products and to all individuals.

Financial Effects
A final Business and Regulatory Impact Assessment (BRIA) has not been completed for this order as one was completed for the Alcohol (Minimum Price per Unit) (Scotland) Order 2018. As the draft Order clarifies the current position, rather than changing it, a further BRIA is not necessary.

Scottish Government
Population Health Directorate

28 January 2020