POLICY NOTE

THE ALCOHOL (MINIMUM PRICING) (CONTINUATION) (SCOTLAND) ORDER 2024

SSI 2024/XXX

The above instrument was made in exercise of the powers conferred by section 2(2) of the Alcohol (Minimum Pricing) (Scotland) Act 2012[1]. The instrument is subject to affirmative procedure.

The purpose of this Order is continue the effect of the minimum unit pricing provisions, which were inserted into the Licensing (Scotland) Act 2005 by the Alcohol (Minimum Pricing) (Scotland) Act 2012. In the absence of this Order, those provisions would expire and minimum unit pricing in Scotland would cease.

Policy objectives

Scale of the problem

Alcohol-related harm continues to be one of the key public health challenges in Scotland. In 2021, there was enough alcohol sold in Scotland for every adult to drink 18.1 units of alcohol a week. This is the equivalent to around 36 bottles of spirits, or around 90 bottles of wine, per adult each year. This is nearly 30% more than the lower-risk UK Chief Medical Officers' guidelines of 14 units per week. Scotland has the highest alcohol-specific death rate in the UK, there were 1,276 alcohol-specific deaths in Scotland in 2022, and 35,187 alcohol-related hospital admissions in 2021/22.

Scotland's Alcohol Strategy

The Scottish Government's minimum unit pricing (MUP) policy aims to reduce health harms caused by alcohol consumption by setting a floor price below which alcohol cannot be sold. In particular, it targets a reduction in consumption of alcohol that is considered cheap, relative to its strength. It aims to reduce both the consumption of alcohol at population level and, in particular, among those who drink at hazardous and harmful levels. In doing so, it aims to reduce alcohol-related health harms among hazardous and harmful drinkers and contribute to reducing harm at a whole population level.

People who drink at hazardous and harmful levels in lower socio-economic groups suffer greater harms than those who drink at these levels in higher socio-economic groups due to the impact of multiple drivers of health inequality. MUP is also intended to address alcohol-related health inequalities by reducing consumption and therefore harm among hazardous and

[1] https://www.legislation.gov.uk/asp/2012/4/contents

harmful drinkers as a whole, having a positive effect on health inequalities given the greater harms people in lower socio-economic groups experience in relation to alcohol.

MUP is one of a range of population and individual level interventions set out in the Scottish Government Alcohol Framework[2] that together are intended to improve the prevention and treatment of alcohol-related harm in Scotland. There is a strong focus on reducing health inequalities and protecting children and young people from alcohol-related harm. As well as evaluating and reviewing MUP, other actions include consideration of appropriate next steps for alcohol marketing restrictions following the previous public consultation[3]; promoting the revised UK CMOs' lower-risk drinking guidelines; reviewing the Alcohol Brief Interventions programme to ensure it is as impactful as possible; continuing to prevent and reduce the harm caused by alcohol consumption in pregnancy through increased awareness of the risks, increased awareness of, and improved diagnosis and support for, Fetal Alcohol Spectrum Disorder.

On support and treatment, in 2023/24, the Scottish Government made £112.9 million available to Alcohol and Drugs Partnerships to support local and national treatment initiatives. The Scottish Government has been engaged in a UK-wide group on reviewing and updating clinical guidance for alcohol treatment, which has been consulted on[4]. The Scottish Government is also exploring the evidence in relation to the Managed Alcohol Programme.

The Scottish Government introduced minimum unit pricing (MUP) on 1 May 2018, setting minimum price that a unit of alcohol can be sold for in Scotland at 50 pence per unit (ppu). The Alcohol (Minimum Pricing) Scotland) Act 2012 ("the 2012 Act") contains a sunset clause, which provides that minimum unit pricing provisions will expire 6 years after they are commenced unless an Order is made to continue their effect.

Why continue minimum pricing?

Scotland was the first country in the world to introduce MUP. While there had been extensive work carried out to predict the likely impact of MUP on consumers and the market before it was introduced, at the time of introduction it was acknowledged to be a novel policy, and therefore the evidence base was limited.

MUP has been extensively evaluated by Public Health Scotland (PHS) who led a wide-ranging, comprehensive, review of the policy[5]. The evaluation comprised a portfolio of quantitative and qualitative studies across a number of areas including price and product range; alcohol sales and consumption; alcohol-related harm; and economic impact on the alcoholic drinks industry. Their final report found:

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[2] https://www.gov.scot/publications/alcohol-framework-2018-preventing-harm-next-steps-changing-relationship-alcohol/
[3] https://consult.gov.scot/alcohol-policy/alcohol-advertising-and-promotion/
[4] https://www.gov.uk/government/consultations/uk-clinical-guidelines-for-alcohol-treatment#:~:text=Consultation%20description,treating%20people%20with%20alcohol%20problems.
[5] https://publichealthscotland.scot/publications/evaluating-the-impact-of-minimum-unit-pricing-for-alcohol-in-scotland-a-synthesis-of-the-evidence/

> "Overall, the evidence supports that MUP has had a positive impact on health outcomes, namely a reduction in alcohol-attributable deaths and hospital admissions, particularly in men and those living in the most deprived areas, and therefore contributes to addressing alcohol-related health inequalities. There was no clear evidence of substantial negative impacts on the alcoholic drinks industry, or of social harms at the population level."

The 2012 Act placed a duty on Scottish Ministers to lay a report on the operation and effect of the minimum unit pricing provisions[6]. The information in the report was drawn from the evaluation of the policy led by Public Health Scotland and from the findings of a call for evidence which included Ministerial roundtable events, and engagement with relevant stakeholders and expert groups including public health and business sectors. Scottish Ministers considered all the information presented in that report and conclude that there is sufficient evidence that Minimum Unit Pricing has achieved its policy aim.

Modelling by Sheffield University suggests that, should the minimum unit price reduce or no longer be in effect, alcohol consumption would increase. Increased alcohol consumption would be expected to result in increased health harms and costs to the NHS. As this is not consistent with the policy aim of reducing alcohol-related harm, the Scottish Ministers are seeking to continue MUP, which has proven to be a key intervention to tackle alcohol harms in Scotland.

Alcohol duty is sometimes raised as an alternative measure to MUP to reduce alcohol harms. They are complementary but work in different ways. Whilst an increase in duty rates would make alcohol less affordable, the whole alcoholic drinks market is affected i.e. high price products as well as cheaper ones. MUP is better able to target those drinks that are mainly drunk by hazardous and harmful drinkers. The greater health benefit in reducing alcohol harms comes from MUP as it is more targeted at those that drink the most alcohol in the most deprived groups who suffer greater harms than those in less deprived groups, thereby reducing inequalities.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

Throughout 2022 and 2023 the Scottish Government undertook significant engagement with industry and public health stakeholders on MUP including roundtables in summer 2022 and 2023. This informed the contents of the full public consultation published on 20 September 2023 concluding on 22 November 2023. The number of responses received from individuals

[6] https://www.gov.scot/publications/alcohol-minimum-pricing-scotland-act-2012-report-operation-effect-minimum-pricing-provisions-2018-2023/

was 432 representing 79% of the total number received (545). The number of responses received from organisations was 113, representing 21% of the total number received.

All public health sector organisations, international organisations, non-health third sector organisations, academic bodies and local government bodies responding to the consultation agreed MUP should continue. A clear majority of most other sectors were also supportive, with only a small number of organisations opposed. However, 83% of alcohol industry representative bodies and 60% of producers were opposed to continuing the policy.

One third of respondents (32%) agreed with the proposed minimum unit price of 65 pence. Two thirds (66%) disagreed and 2 per cent did not answer. . Individuals and organisations held almost exactly opposing views. While 79% of individuals disagreed and 19% agreed, among organisations 79% agreed and 17% disagreed.

It should be noted that whilst around 2/3 of respondents to the public consultation disagreed with continuing MUP, those respondents may not be a representative group, as consultation respondents are self-selecting and not demographically representative of the Scottish population. Accordingly those results are not necessarily representative of wider public opinion. Scottish Government published public attitudes research in September 2023, the findings of which were weighted to ensure an appropriate demographic spread, found that overall people were more likely to be in favour of MUP (43 per cent) than against it (38%). Almost a fifth of respondents (18%) were neutral and a small number did not know (1%). This aligns with previous SSAS findings from 2013-2019.

PHS' analysis of the Scottish Social Attitudes Survey (SSAS) 2013-2019 suggested that support for MUP increased slightly over that time frame, with more people in favour (49.8%) than against (27.6%).

Impact Assessments

Consideration was given to the range of impact assessments available. After completing screening, it was concluded that the Strategic Environmental Assessment (SEA) and the Data Protection impact assessment (DPIA) were not required. There is no impact on sustainable development or data protection. Full assessments have, therefore, not been completed.

An Equalities impact assessment[7] (EQIA) has been carried out and found there is currently no evidence to suggest that the continuation of MUP would have a direct differential impact on any of the protected characteristics under the Equality Act 2010. It is expected that the policy will continue to have a positive impact across the Scottish population by reducing alcohol consumption amongst those who drink to hazardous and/or harmful levels and, in turn, reducing health harms. The increase in price is expected to lead to increased positive effects of the policy than at the current price of 50ppu, i.e. older age groups and men, who consume higher than average amounts of alcohol, are likely to experience increased positive effects than groups who tend to consume less alcohol. There is no impact of the policy on equal opportunities.

[7] https://www.gov.scot/isbn/9781835213872

As alcohol is an age-restricted product and children and young people should not be able to purchase it legally, children and young people were not the intended group for MUP to impact. However, a Child Rights and Wellbeing Impact Assessment (CRWIA)[8] has been carried out on the continuation of MUP. The PHS evaluation[9] concluded that it is not possible to say whether children and young people in families affected by alcohol use were positively or negatively affected by MUP at 50ppu. The policy will continue to be monitored and reviewed periodically in line with best practice.

A Fairer Scotland Duty assessment[10] was carried out. The evaluation of the MUP policy at 50ppu found that MUP has reduced alcohol-attributable health harms and "has evidenced that MUP has acted to reduce deprivation-based inequalities in alcohol-attributable health harms."[11] At a minimum unit price of 50ppu, estimated reductions of deaths wholly attributable to alcohol consumption, compared to what would have happened in the absence of MUP, were greatest among the four most socio-economically deprived area-based deciles. There is some qualitative evidence of negative health and social consequences at an individual level, particularly for those with alcohol dependence who are financially vulnerable. Those that are classed as dependent drinkers fall within the extreme end of the harmful drinking category. Given the clinical needs of this particular group of dependent drinkers, MUP alone was not intended as a key intervention to address the needs of this group. Those with alcohol dependence are a specific group and need timely and evidence-based treatment and wider support that addresses the root cause of their dependence. The Scottish Government is working in partnership with key stakeholders, including voices of lived experience, to review the treatment and support services available for those with problem alcohol use.

An Island Communities Impact Assessment (ICIA)[12] was carried out and concluded that MUP is not likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities).

In carrying out the range of impact assessments and in developing the policy, human rights have been considered throughout.

Financial Effects

A Final Business and Regulatory Impact Assessment (BRIA)[13] has been carried out and published.

The evaluation of MUP found there to be no consistent evidence of positive or negative impacts on the alcoholic drinks industry as a whole from the introduction of MUP. Products

[8] https://www.gov.scot/isbn/9781835213858
[9] https://publichealthscotland.scot/publications/evaluating-the-impact-of-minimum-unit-pricing-for-alcohol-in-scotland-a-synthesis-of-the-evidence/
[10] https://www.gov.scot/isbn/9781835213902
[11] https://publichealthscotland.scot/media/18509/evaluating-the-impact-of-alcohol-minimum-unit-pricing-mup-on-alcohol-attributable-deaths-and-hospital-admissions-in-scotland-english-march2023.pdf
[12] https://www.gov.scot/isbn/9781835213896
[13] https://www.gov.scot/isbn/9781835219782

which experienced the greatest price increase (such as cider, perry and own-brand spirits) generally experienced the greatest reduction in sales. Among retailers, an overall increase in the value of off-trade alcohol sales was seen, with increases in retail price found to have offset the decline in volume sales. While a reduction is producers' revenues was observed, this was considered in qualitative interviews to be minor.

The driver for the continuation of MUP is the protection and improvement of public health. It is likely that there will be an ongoing impact on the market for alcoholic drinks, with fewer alcoholic drinks sold in the off-trade, at increased prices (compared to if MUP were not continued). The impact is likely to be experienced differently by different product types and individual products.

Scottish Government
Directorate for Population Health
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