

*This document relates to the Alcohol (Minimum Pricing) (Scotland) Bill (SP Bill 4) as introduced in the Scottish Parliament on 31 October 2011*

# ALCOHOL (MINIMUM PRICING) (SCOTLAND) BILL

---

## POLICY MEMORANDUM

### INTRODUCTION

1. This document relates to the Alcohol (Minimum Pricing) (Scotland) Bill introduced in the Scottish Parliament on 31 October 2011. It has been prepared by the Scottish Government to satisfy Rule 9.3.3(c) of the Parliament's Standing Orders. The contents are entirely the responsibility of the Scottish Government and have not been endorsed by the Parliament. Explanatory Notes and other accompanying documents are published separately as SP Bill 4-EN.

### OVERVIEW OF THE BILL

2. The Bill will introduce a minimum price of alcohol below which alcohol must not be sold on licensed premises. The minimum price will be set according to the strength of the alcohol, the volume of the alcohol and the minimum price per unit.

3. The Scottish Government considers the minimum pricing measure in the Bill will help reduce alcohol consumption in Scotland, in particular reducing the consumption of alcohol by harmful drinkers, and reduce the impact that alcohol misuse and overconsumption has on public health, crime, public services, productivity, and the economy as a whole. The minimum pricing measure in the Bill should be seen as part of the wider strategic approach to tackling alcohol misuse set out in *Changing Scotland's Relationship with Alcohol: A Framework for Action*<sup>1</sup>.

4. Minimum pricing was included within the Alcohol etc. (Scotland) Bill (the "Alcohol Bill") when it was introduced in November 2009 but did not receive sufficient support within the Scottish Parliament. Much of the evidence and rationale used in support of minimum pricing during the Alcohol Bill process remains relevant to this Bill. Where new evidence has become available it is included in this document. The consultation on minimum pricing that took place for the Alcohol Bill is still relevant for this Bill, and is included in this document. Further information has been requested from key industry stakeholders on what they consider the impact

---

<sup>1</sup> *Changing Scotland's Relationship with Alcohol: A Framework for Action*, Scottish Government, 2009 <http://www.scotland.gov.uk/Publications/2009/03/04144703/0>

of minimum pricing might be on their business and will be included within the Business and Regulatory Impact and Competition Assessment<sup>2</sup> that will be published along with the Bill.

## BACKGROUND

5. The volume of alcohol use in a country is best estimated from national sales, production and/or taxation data since population surveys invariably underestimate total alcohol consumption<sup>3 4</sup>. These can come from sales data and supply data (e.g. data on production and trade such as Food and Agriculture Organization of the United Nations (FAO) and World Drink Trends (WDT)<sup>5</sup> or tax receipts e.g. HM Revenue and Customs (HMRC) data in the UK). Not all alcohol released for sale will necessarily be consumed, or purchased by individuals resident in the country. However, this is counterbalanced by alcohol consumed abroad, home production, alcohol brought in from abroad, etc.

6. Industry sales data shows that enough alcohol was sold in Scotland annually since at least 2000 to enable all adults over 16 to exceed the sensible male weekly guideline of 21 units on each and every week<sup>6</sup>. In 2010, average per capita sales in Scotland equated to 22.8 units per person per week representing an 11% increase since 1994. Scottish per capita alcohol sales are now almost a quarter (23%) higher than in England and Wales. Significantly, while sales have fallen by around 8% from a 2005 peak in England and Wales, there has been no similar decline in Scotland<sup>7</sup>. Drinking above the Chief Medical Officers' recommended guidelines increases the risk of lasting health damage and there is clear evidence that increased consumption is driving increased harm.

7. There were almost 40,000 general hospital discharges in 2009-10<sup>8</sup> due to alcohol related illness and injury, equivalent to more than 100 discharges per day. As figure 1 shows, despite a slight fall over the last two years, alcohol-related discharges in Scotland have more than quadrupled since the early 1980s<sup>9</sup>. This increase has been seen in both men and women and experienced across all adult age groups<sup>10</sup>.

---

<sup>2</sup> To be published on the Scottish Government website at <http://www.scotland.gov.uk/Topics/Health/health/Alcohol/resources> shortly after publication of the Bill

<sup>3</sup> *International Guide for Monitoring Alcohol Consumption and Related Harm*. Geneva, World Health Organization, 2000a

<sup>4</sup> 'How much are people in Scotland really drinking?' NHS Health Scotland, 2009 <http://www.scotpho.org.uk/alcoholreport>

<sup>5</sup> *Global Status Report on Alcohol 2004*: World Health Organisation, 2004

<sup>6</sup> Robinson M, Craig N, McCartney G, Beeston C. *Monitoring and Evaluating Scotland's Alcohol Strategy: An update of alcohol sales and price band analyses*. Edinburgh, NHS Health Scotland, 2011

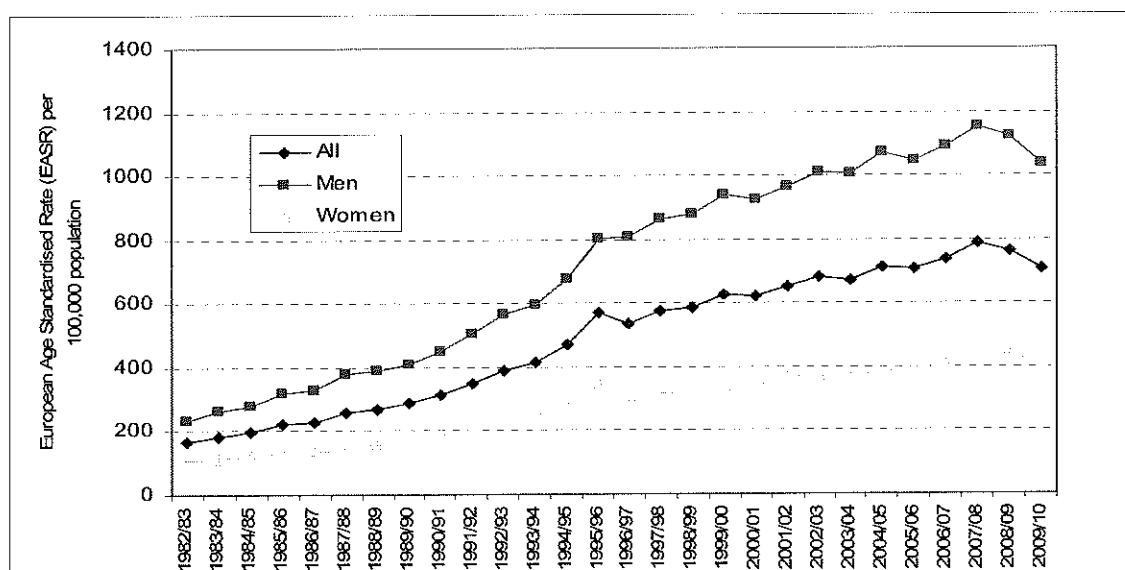
<sup>7</sup> Ibid.

<sup>8</sup> *Alcohol Statistics Scotland 2011*, Information Services Division, National Health Service, 2011, [http://www.alcoholinformation.isdscotland.org/alcohol\\_misuse/files/alcohol\\_stats\\_bul\\_09.pdf](http://www.alcoholinformation.isdscotland.org/alcohol_misuse/files/alcohol_stats_bul_09.pdf)

<sup>9</sup> Beeston C, Robinson M, Craig N, and Graham L. *Monitoring and Evaluating Scotland's Alcohol Strategy. Setting the Scene: Theory of change and baseline picture*. Edinburgh: NHS Health Scotland; 2011

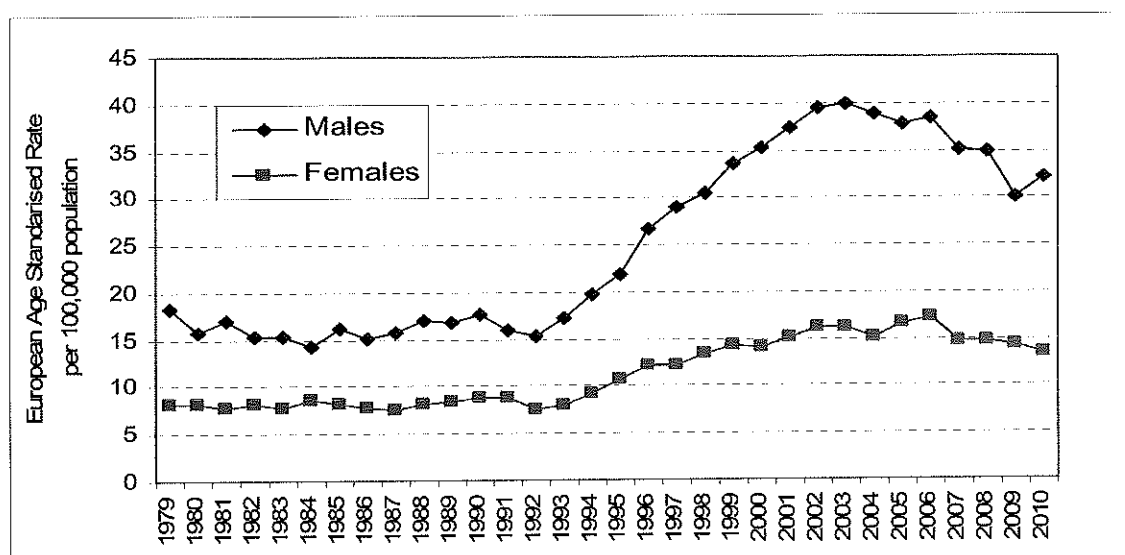
<sup>10</sup> See Table 8.1 in *Monitoring and Evaluating Scotland's Alcohol Strategy. Setting the Scene: Theory of change and baseline picture – Glossary and Appendices*, NHS Health Scotland, 2011

Figure 1: Alcohol-related general hospital discharges, Scotland 1982/3 – 2009/10



8. Similarly, alcohol-related mortality has more than doubled since the 1980s (figure 2)<sup>11</sup>. While there was some evidence that mortality rates may be falling (from 2006 onwards), rates increased again in 2010 (including a rise of 7% in male mortality rates). In 2009 (the latest year for which comparable data is available), alcohol-related mortality rates for men in Scotland were nearly double those for men in England & Wales (30 per 100,000 population compared to 16 per 100,000 population). A similar pattern was seen for women, with alcohol-related mortality rates for women in Scotland almost double those for women in England & Wales (15 per 100,000 population compared to 8 per 100,000 population)<sup>12</sup>.

Figure 2: Alcohol-related mortality rates, Scotland 1979 – 2010

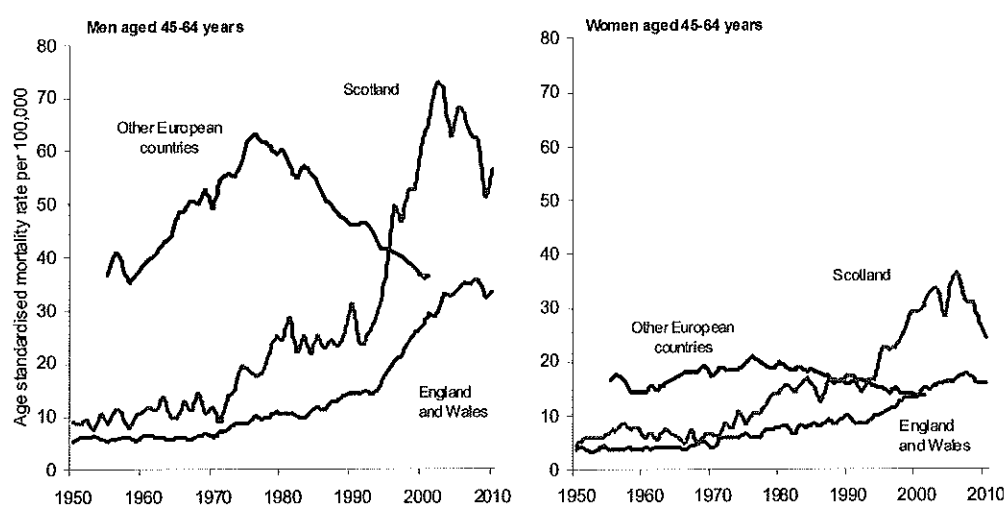


<sup>11</sup> Data from General Register Office for Scotland.

<sup>12</sup> Beeston C, Robinson M, Craig N, and Graham L. *Monitoring and Evaluating Scotland's Alcohol Strategy. Setting the Scene: Theory of change and baseline picture*. Edinburgh: NHS Health Scotland; 2011

9. Recent research suggests that these mortality figures, being based on cases where alcohol use is considered to be the direct cause of death, may significantly underestimate the true scale of the problem. Following well established practice, it estimates that alcohol use is either the wholly or partly attributable<sup>13</sup> cause of death in 1 in 20 deaths in Scotland (almost twice as many as previously thought). A quarter of male deaths and a fifth of female deaths in the 35-44 year old age group are thought to be alcohol attributable<sup>14</sup>. Over the last 30 years Scotland has had one of the fastest growing rates of chronic liver disease and cirrhosis in the world, leading the Chief Medical Officer to add alcoholic liver disease to the list of 'big killers', alongside heart disease, stroke and cancer. Despite a fall in recent years, rates among 45-64 year olds are still around five times higher for men and four times higher for women than they were in the 1950s and 1960s.

Figure 3: Chronic liver disease and cirrhosis mortality rates per 100,000 population, 1950-2010<sup>15</sup>



10. Life expectancy in some parts of Scotland is falling way short of life expectancy elsewhere, and the Scottish Government believes alcohol plays a significant part in these inequalities. The impact of alcohol misuse in Scotland's most deprived communities is stark, with alcohol-related general hospital discharge rates in the 20% most deprived communities (as measured by the Scottish Index of Multiple Deprivation, SIMD) around 7.5 times higher than in the most affluent fifth. Similarly, alcohol-related mortality rates are six times higher in the most deprived areas<sup>16</sup>.

<sup>13</sup> The study uses alcohol population attributable fractions. A population attributable fraction is an indirect quantification of mortality due to a specified risk factor. Partly attributable alcohol conditions are conditions (such as some cancers, injuries, etc.) where alcohol is causally implicated in a proportion but not all cases. It can be interpreted as the proportion of the total cases that would not have occurred in the absence of exposure to the risk factor (in this case alcohol use).

<sup>14</sup> *Alcohol attributable mortality and morbidity: alcohol population attributable fractions for Scotland*. Grant, Springbett and Graham, Information Services Division, National Health Service, 2009, <http://www.isdscotland.org/isd/5964.html>

<sup>15</sup> Graphs based on *Liver cirrhosis mortality rates in Britain from 1950 to 2002: an analysis of routine data*, The Lancet, Vol. 367, January 2007. Rates for Scotland and England & Wales updated to 2010 by General Register Office for Scotland and Office for National Statistics.

<sup>16</sup> *Alcohol Statistics Scotland 2011*, Information Services Division, National Health Service, 2011

11. There are significant social and economic costs of excessive alcohol consumption. Excessive drinking can cause families to break up: one in three divorces cites excessive drinking by a partner as a contributory cause<sup>17</sup>. It is a huge overhead on Scotland's economy: the total costs of alcohol misuse are estimated at £3.56 billion every year (using the study's mid-point estimate), equivalent to £900 for every adult living in Scotland<sup>18</sup>. For the midpoint estimate, this includes £866m in lost productivity, a cost of £269m to the NHS and £727m in crime costs.

12. Excessive alcohol consumption can lead to crime and disorder, with the World Health Organisation pointing to a strong association between alcohol consumption and an individual's risk of becoming a perpetrator or victim of violence<sup>19</sup>. Half (50%) of Scottish prisoners<sup>20</sup> (including 77% of young offenders<sup>21</sup>) said they were drunk at the time of their offence. A recent prison alcohol needs assessment study found that almost three-quarters (73%) of prisoners in the case study prison had an alcohol use disorder, including over a third (36%) who were alcohol dependent<sup>22</sup>. At least 70% of assaults presenting to Emergency Departments may be alcohol-related, with the majority of these being concentrated at weekends and involving young men<sup>23</sup>. In addition, 69% of those accused of homicide (and whose drug status was known) in 2009-10 were either drunk or drunk and under the influence of drugs at the time of the alleged offence<sup>24</sup>.

13. Alcohol misuse is no longer a marginal problem, with the Scottish Health Survey 2009 finding that 50% of men and 39% of women exceeded weekly and/or daily sensible drinking guidelines in the week before the survey (and we know these figures are likely to be under-estimates)<sup>25</sup>. Worryingly, considerable numbers of children are also regularly drinking alcohol with 31% of 15 year old boys and girls saying they drank alcohol in the previous week. The consequences are significant: with nearly a quarter (23%) of those 15 years olds who have drunk alcohol reporting getting into trouble with the police and almost a fifth (18%) having tried drugs as a consequence of drinking alcohol<sup>26</sup>. Moreover, an audit of Scottish Emergency Departments over a five week period found nearly 650 children were treated for alcohol related problems, including 15 under 12 years old and one as young as eight<sup>27</sup>. There is international evidence that drinking patterns learnt early in life stay with the individual into adulthood<sup>28</sup>, including US research that found that those who start drinking before the age of 15 are more than twice as

<sup>17</sup> *Alcohol Harm Reduction project: Interim Analytical Report*, Prime Minister's Strategy Unit, 2003, <http://www.cabinetoffice.gov.uk/media/cabinetoffice/strategy/assets/caboffice%20alcoholhar.pdf>

<sup>18</sup> *The Societal Cost of Alcohol Misuse in Scotland for 2007*, Scottish Government, 2010 <http://www.scotland.gov.uk/Publications/2009/12/29122804/0>

<sup>19</sup> *Interpersonal Violence and Alcohol Policy Briefing*, World Health Organization [http://www.who.int/violence\\_injury\\_prevention/violence/world\\_report/factsheets/ft\\_violencealcohol.pdf](http://www.who.int/violence_injury_prevention/violence/world_report/factsheets/ft_violencealcohol.pdf)

<sup>20</sup> *Prisoner Survey 2009*, Scottish Prison Service, 2009, <http://www.sps.gov.uk/Publications/Publication79.aspx>

<sup>21</sup> *Young Offenders 2009*, Scottish Prison Service, 2010, <http://www.sps.gov.uk/Publications/Publication77.aspx>

<sup>22</sup> Parkes, T et al. *Prison health needs assessment for alcohol problems*, NHS Health Scotland, 2011

<sup>23</sup> *Harmful Drinking Two: Alcohol and Assaults*, NHS Quality Improvement Scotland, 2006

<sup>24</sup> *Homicide in Scotland 2009/10*, Scottish Government 2010 <http://www.scotland.gov.uk/Publications/2008/12/15155727/0>

<sup>25</sup> *Scottish Health Survey 2009 – Volume 1: Main report*, Scottish Government, 2010

<sup>26</sup> *Scottish Schools Lifestyle and Substance Use Survey 2008*: National Report, Information Services Division, National Health Service, June 2009, <http://www.isdscotland.org/isd/5955.html>

<sup>27</sup> *Understanding Alcohol Misuse in Scotland: Harmful Drinking Final Report*, NHS Quality Improvement Scotland, March 2008, [http://www.nhshealthquality.org/nhsqis/files/Alcohol\\_overview\\_final%20\(low%20res\).pdf](http://www.nhshealthquality.org/nhsqis/files/Alcohol_overview_final%20(low%20res).pdf)

<sup>28</sup> Grant, B. F., & Dawson, D. A. (1997). *Age At Onset Of Alcohol Use And Its Association With DSM- IV Alcohol Abuse and Dependence: Results from the National Longitudinal Alcohol Epidemiologic Survey*. *Journal of Substance Abuse*, 9; Hingson R, et al (2000) *Age of Drinking Onset and Unintentional Injury Involvement After Drinking*, *Journal of the American Medical Association*, Vol. 284, 12.

likely to become substance dependent, contract sexually transmitted diseases, drop out of school and have criminal records<sup>29</sup>. This suggests that Scotland may be storing up significant problems for the future.

14. Scots recognise our damaging relationship with alcohol. The Scottish Social Attitudes Survey found that 51% saw alcohol as the drug that causes most problems for Scotland, compared to 22% who said heroin and 9% tobacco. Just 3% of people choose alcohol as the drug that causes least problems<sup>30</sup>. Similarly, 97% of respondents to the Scottish Crime and Justice Survey 2009-10 felt that 'alcohol abuse' was a problem in Scotland, including 74% who thought it was 'a big problem' (alcohol was rated as a bigger problem than crime, anti-social behaviour and unemployment)<sup>31</sup>.

15. Scotland will continue to have a relationship with alcohol. For many people that relationship will remain balanced, positive and enjoyable. However there is also clear evidence that for a large section of the population their relationship with alcohol is damaging and harmful – both to themselves and those around them. The harm caused by alcohol misuse has become a major challenge affecting Scottish society. If the Scottish Government tackles it effectively through the introduction of minimum pricing, set in the context of the wider strategic approach outlined in the Framework for Action, the benefits are clear. The evidence shows that building a healthy and sensible relationship with alcohol will be pivotal to realising our Purpose of creating a more successful country, with opportunities for all of Scotland to flourish through increasing economic sustainable growth and delivering four out of five of our Strategic Objectives. Tackling alcohol misuse will also make a positive contribution to achieving over half of our national outcomes:

- we live longer and healthier lives;
- we have tackled the significant inequalities in Scottish life;
- we have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others;
- we live our lives safe from crime, disorder and danger;
- we realise our full economic potential with more and better employment opportunities for our people;
- our young people are more successful learners, confident individuals, effective contributors and responsible citizens;
- we have improved the life chances for children, young people and families at risk; and
- our children have the best start in life and are ready to succeed.

---

<sup>29</sup> Odgers, C. L et al (2008), *Is it important to prevent early exposure to drugs and alcohol among adolescents?*, *Psychol Sci*, 19(10), 1037-1044

<sup>30</sup> *Scottish Social Attitudes Survey 2007: Something to be ashamed of or part of our way of life? Attitudes towards alcohol in Scotland*, Scottish Government, 2008

<sup>31</sup> SCJS 2009-10 data tables volume 1 - main survey - demographic breaks  
<http://www.scotland.gov.uk/Topics/Statistics/Browse/Crime-Justice/Datasets/SCJS09-10Vol1>

## **SECTION 1: MINIMUM PRICE OF ALCOHOL**

### **Policy Objective**

16. The objective of minimum pricing is to protect and improve public health and attain social benefits by reducing alcohol consumption. The World Health Organisation has stated that alcohol policies and interventions targeted at vulnerable populations can prevent alcohol-related harm, but that policies which address the population as a whole can have a protective effect on vulnerable populations whilst also reducing the overall level of alcohol problems<sup>32</sup>. Thus both population-based strategies and interventions and those targeting particular groups, such as harmful drinkers, are required. We consider minimum pricing just such an approach as while it applies equally across the population, we know cheaper alcohol relative to its strength tends to be bought more by harmful drinkers<sup>33</sup> and so, in this sense, it is also a targeted approach.

### *The link between price and consumption*

17. There is strong evidence from numerous studies conducted in European countries, the United States of America, Canada, New Zealand and elsewhere, that levels of alcohol consumption in the population are closely linked to the retail price of alcohol. As alcohol becomes more affordable, consumption increases. As the relative price increases, consumption goes down. The Wagenaar systematic review<sup>34</sup> considered 100 separate studies reporting over 1,000 statistical estimates over the last 30 years and found that there was a consistent relationship between price and consumption of alcohol: when prices go down, people drink more and when prices go up, people drink less.

18. The RAND Europe report *The affordability of alcoholic beverages in the European Union: Understanding the link between alcohol affordability, consumption and harms*<sup>35</sup> supports the link between alcohol price/income/affordability and consumption, and the direct link between alcohol price/income and harms, and states that this provides strong support for the use of alcohol pricing policies as a potentially effective measure to curb hazardous and harmful drinking in Europe. A systematic review conducted as part of the Independent Review of the Effects of Alcohol Pricing and Promotion<sup>36</sup>, commissioned by the UK Government and carried out by the School of Health and Related Research (SchARR) at the University of Sheffield, found strong and consistent evidence to suggest that price increases have a significant effect in reducing demand for alcohol. Similarly, a 2011 RAND Europe report sponsored by the Home

---

<sup>32</sup> WHO (2010) Global strategy to reduce the harmful use of alcohol [http://www.who.int/substance\\_abuse/publications/en](http://www.who.int/substance_abuse/publications/en)

<sup>33</sup> Booth et al (2008) *Independent Review of the Effects of Alcohol Pricing and Promotion, Part A: Systematic Reviews*, University of Sheffield and *Model-Based Appraisal of Alcohol Minimum Pricing and Off-Licensed Trade Discount Bans in Scotland using the Sheffield Alcohol Policy Model (v2): An Update Based on Newly Available Data* <http://www.scotland.gov.uk/Publications/2010/04/20091852/0>

<sup>34</sup> Wagenaar A.C., Salois M.J., Komro K.A Effects of beverage alcohol taxes and prices on consumption: a systematic review and meta-analysis of 1003 estimates from 112 studies *Addiction*: 2009, 104

<sup>35</sup> Rabinovich et al (2009) *The affordability of alcoholic beverages in the European Union: Understanding the link between alcohol affordability, consumption and harms*  
[http://www.rand.org/pubs/technical\\_reports/2009/RAND\\_TR689.pdf](http://www.rand.org/pubs/technical_reports/2009/RAND_TR689.pdf)

<sup>36</sup> Booth et al (2008) *Independent Review of the Effects of Alcohol Pricing and Promotion, Part A: Systematic Reviews*, University of Sheffield

Office confirmed previous findings: that increasing the price of alcohol can be effective in reducing alcohol harms<sup>37</sup>.

19. Two country-specific examples are illuminating. In Switzerland in 1999, a 30% to 50% reduction in taxation on foreign spirits led to a 28% increase in consumption of spirits. There was no significant change in the consumption of wine or beer where taxation did not reduce<sup>38</sup>. In March 2004, Finland cut tax on alcohol (by one third) in an effort to reduce the level of alcohol purchasing undertaken by Finns in other EU countries where the price of alcohol was much cheaper. Following the reduction of taxation in Finland, which made alcohol cheaper for all, liver cirrhosis deaths rose by 30% in just one year, as alcohol consumption increased by 10%<sup>39</sup>. Finland subsequently reversed the measure although not until 2008, when alcohol taxes were raised by 15% for strong alcoholic beverages and by 10% for other alcoholic beverages. In 2009, total consumption of alcoholic beverages was down around 2%, there was a 5% reduction in alcohol related periods of care in hospital and a drop in the number of alcohol related deaths. Continuing the taxation policy in 2009, excise taxes on all alcoholic beverages were raised twice by 10%, first on 1 January and then again on 1 October<sup>40</sup>. Consumption and health statistics from 2010 are not yet available. A very recent development on the link between price and consumption is the work undertaken by Professor Tim Stockwell at the University of Victoria, Canada, on the minimum pricing systems operating in two of the Canadian provinces. This work will be considered further as the full findings emerge.

20. Alcohol sales in Scotland have increased by 11% overall since 1994<sup>41</sup> and, as figure 4 demonstrates, this increase is being driven by increasing sales in the off-trade<sup>42</sup>. Off-trade sales increased by 52% between 1994 and 2010, compared to a fall of 29% in the on-trade. It is now estimated that around two-thirds of alcohol sold in Scotland is sold through the off-trade<sup>43</sup>. It is worth noting that the higher per capita sales in Scotland compared with the rest of Great Britain are predominantly explained by higher sales through the off-trade.

---

<sup>37</sup> Hunt P, Rabinovich L, Baumberg B (2011) *Preliminary assessment for economic impacts of alcohol pricing options in the UK*. RAND Europe [http://www.rand.org/pubs/technical\\_reports/TR858-1.html](http://www.rand.org/pubs/technical_reports/TR858-1.html)

<sup>38</sup> Heeb, J-L et al (2003) *Changes in alcohol consumption following a reduction in the price of spirits: a natural experiment in Switzerland*. *Addiction*, Volume 98 (10) Pgs: 1433-1446

<sup>39</sup> Hertzua, K et al (2008) *Changes in alcohol-related mortality and its socio-economic differences after a large reduction in alcohol prices: a natural experiment based on register data*. *American Journal of Epidemiology*.

<sup>40</sup> National Institute for Health And Welfare. *Yearbook of Alcohol and Drug Statistics 2010*. Official Statistics of Finland <http://www.stakes.fi/EN/tilastot/statisticsbytopic/alcoholanddrugs/index.htm>

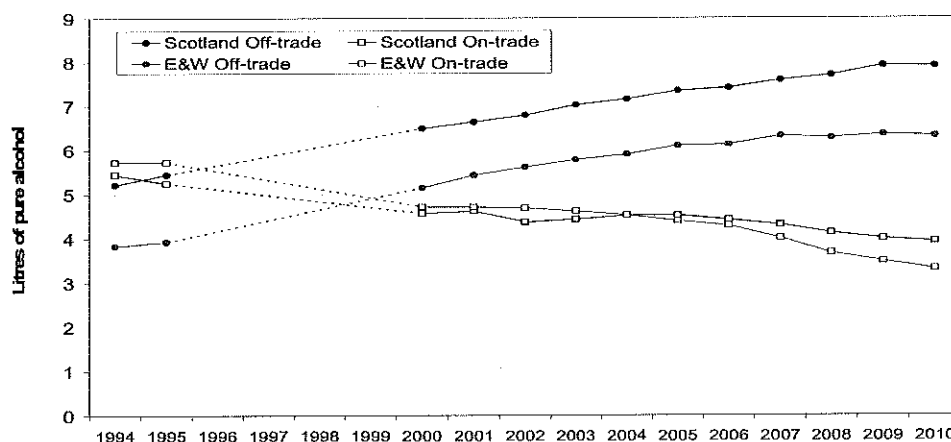
<sup>41</sup> Robinson M, Craig N, McCartney G, Beeston C. 2011 op cit

<sup>42</sup> *Ibid*

<sup>43</sup> *Ibid*

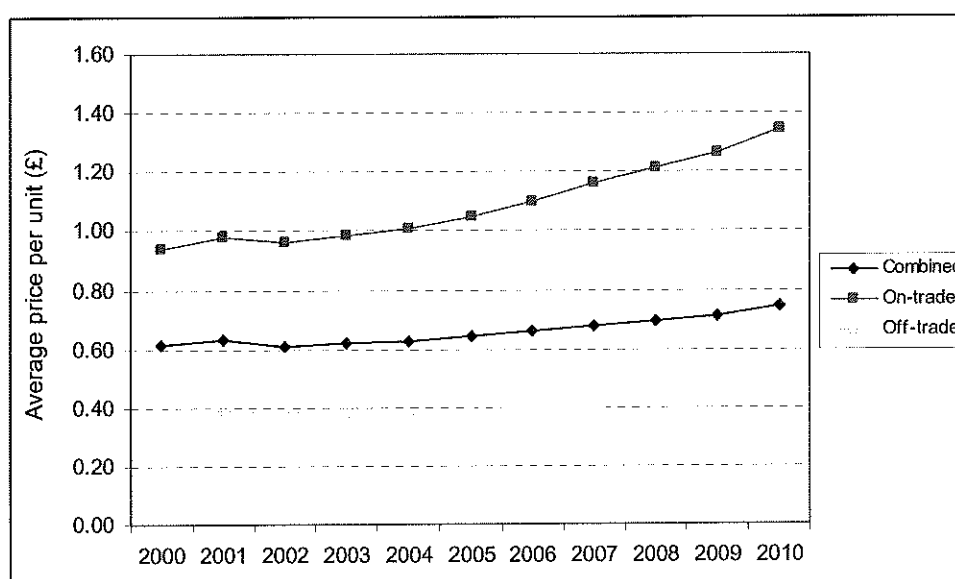


Figure 4: Litres of pure alcohol sold per capita (adults aged 16+) in Scotland and England & Wales, 1994-2010



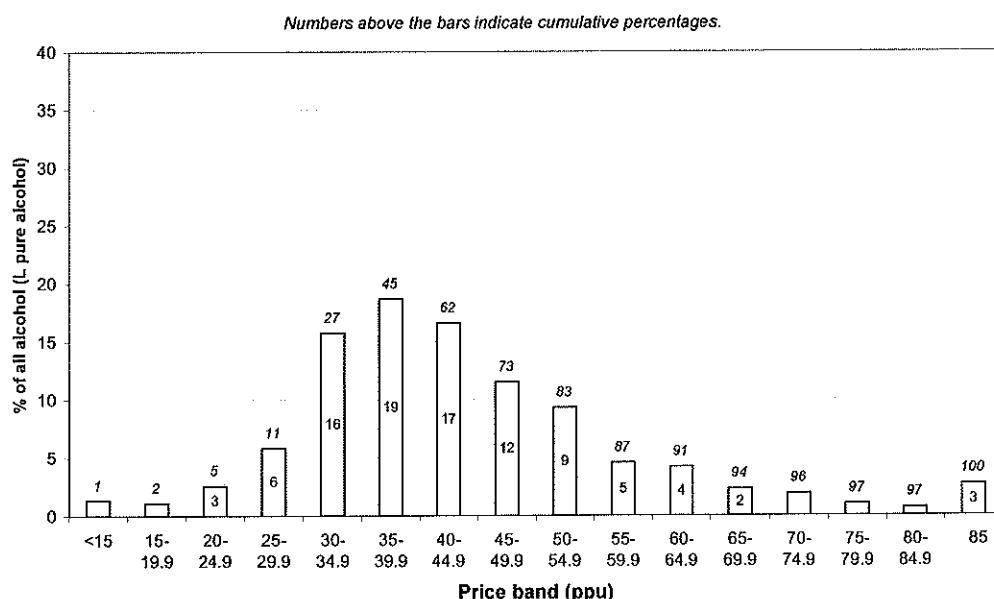
21. The impact of differential prices across the off and on trade in driving these trends is clear. The average price per unit in the on-trade in 2010 was 134p, compared to just 45p in the off-trade. The differential in average price across sectors has increased significantly over the last decade (figure 5). The on-trade has seen a 43% rise in average price per unit since 2000, compared to a 15% increase in the off-trade.

Figure 5: Average price per unit of alcohol sold in Scotland, by market sector, 2000-2010



22. Off-trade price band data published by NHS Health Scotland demonstrate that a considerable proportion of alcohol is sold very cheaply, with 11% of alcohol sold through the off-trade in Scotland in 2010 retailing at below 30p per unit, 45% below 40p per unit and almost three-quarters (73%) under 50p per unit (figure 6).

Figure 6: Price distribution (%) of pure alcohol sold off-trade in Scotland, 2010, in pence per unit (ppu)

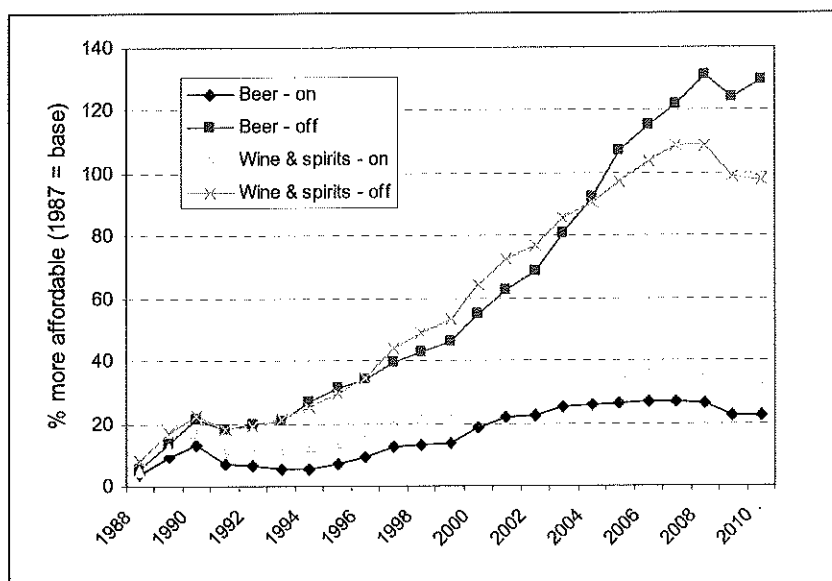


23. Price is a key component of affordability. In real terms (taking into account household disposable income per capita) NHS Information Centre report that alcohol is now 44% more affordable in the UK than it was in 1980<sup>44</sup>. However, changes in affordability are not uniform across sectors or drink types. Data from the Office for National Statistics demonstrate that while affordability of on-trade alcohol has increased only slowly since 1987 (and has changed little over the last decade), alcohol sold off-trade is significantly more affordable (figure 7). Beer sold off-trade is now almost 130% more affordable in real terms than in 1987, while the equivalent figure for wine and spirits is 98%<sup>45</sup>. The impact of increasing affordability in the off-trade is clear: as affordability has increased, off-trade sales have also increased significantly, at the expense of the on-trade (where affordability has remained relatively static).

<sup>44</sup> *Statistics on Alcohol: England, 2011*, The Health and Social Care Information Centre, 2011. The way in which the Information Centre calculates the alcohol affordability index was revised in 2011. The effect of this revision was to reduce the estimated change in affordability from 68% to 44% since 1980. Further details can be found at: <http://www.ic.nhs.uk/pubs/alcohol11>

<sup>45</sup> Affordability figures from Focus on Consumer Price Indices, Office for National Statistics. Real households' disposable income from *Statistics on Alcohol: England, 2011*, The Health and Social Care Information Centre, 2011 (rebased to 1987). Figures are from 1987 onwards due to availability of published ONS on and off-sales affordability data. A Scottish-specific affordability index is not available.

Figure 7: The Affordability of On and Off-Sales Alcohol: UK, 1987-2010



24. Comprehensive research by ScHARR at the University of Sheffield has been carried out for both the UK Government<sup>46</sup> and the Scottish Government<sup>47</sup>. Based on econometric modelling, this research estimates that policies which increase the price of alcohol can bring significant health and social benefits and lead to considerable financial savings in the health service, in the criminal justice system and in the workplace. Detailed findings from the ScHARR Scottish report are included in the Business and Regulatory Impact Assessment<sup>48</sup> prepared for this Bill. While the ScHARR report should be considered in its entirety, the Scottish Government was interested to note that:

- The model showed a strong and consistent link between the price of alcohol and the demand for alcohol. Increasing the price of alcohol is estimated to reduce consumption and alcohol-related harm.
- The model demonstrated a strong link between price increases, reduced consumption and subsequent reductions in chronic and acute health harms, including cancers, stroke, accidents, injuries and violence. This reinforced the findings from their, and other, systematic reviews.
- Minimum pricing targets price increases at alcohol that is sold cheaply. Cheaper alcohol tends to be bought more by harmful drinkers than moderate drinkers<sup>49</sup>. So a minimum pricing policy might be seen as beneficial in that it targets the drinkers

<sup>46</sup> Brennan et al (2008) *Independent Review of the Effects of Alcohol Pricing and Promotion: Part B: Modelling the Potential Impact of Pricing and Promotion Policies for Alcohol in England*, University of Sheffield [http://www.dh.gov.uk/prod\\_consum\\_dh/groups/dh\\_digitalassets/documents/digitalasset/dh\\_091364.pdf](http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_091364.pdf)

<sup>47</sup> *Model-Based Appraisal of Alcohol Minimum Pricing and Off-Licensed Trade Discount Bans in Scotland using the Sheffield Alcohol Policy Model (v2): An Update Based on Newly Available Data* <http://www.scotland.gov.uk/Publications/2010/04/20091852/0>

<sup>48</sup> To be published on the Scottish Government website at <http://www.scotland.gov.uk/Topics/Health/health/Alcohol/resources> shortly after publication of the Bill

<sup>49</sup> Booth et al (2008) *Independent Review of the Effects of Alcohol Pricing and Promotion, Part A: Systematic Reviews*, University of Sheffield [http://www.dh.gov.uk/prod\\_consum\\_dh/groups/dh\\_digitalassets/documents/digitalasset/dh\\_091366.pdf](http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_091366.pdf)

causing most harm to themselves and society. Studies also show that cheaper alcohol is also attractive to young people<sup>50</sup>.

- 'Moderate drinkers' (i.e. those who drink within sensible drinking guidelines) are estimated to be only marginally affected, simply because they consume only a moderate amount of alcohol and also because they do not tend to buy as much of the cheap alcohol that would be most affected by minimum pricing.
- Although the driver for minimum pricing is the protection and improvement of public health, the Scottish Government notes that while there is an estimated decrease in sales volume, that may be more than offset by the unit price increase, leading to overall increases in revenue from alcohol sales.
- The economy is likely to benefit through a reduction in sick days per year for all categories of drinker (moderate, hazardous and harmful) and less unemployment among harmful drinkers.

#### *Setting and varying the minimum price per unit*

25. The Scottish Government believes that the minimum price per unit should be set and subsequently varied by the Scottish Ministers subject to the control of the Scottish Parliament. Achieving this through an order allows for flexibility in varying the minimum price per unit, and the Bill therefore provides for an order making power that would be subject to the affirmative procedure. Any draft order proposing a minimum price per unit would be accompanied by a Business and Regulatory Impact Assessment which related to the specific minimum price being proposed.

26. When considering any variation to the minimum price, the Scottish Government considers that it is desirable to have a mechanism that maintains flexibility for Ministers to vary the price when they consider it appropriate to do so. The flexibility is required as it is likely that the minimum price per unit will be varied in the future given the effects of inflation will erode the benefits. For that reason it has not pursued the suggestion made in some responses to its discussion paper (see paragraph 44) that the minimum price should be tied to an existing indicator, for example the Consumer Price Index (CPI), as such an approach may weaken the role of Ministers and the Parliament in assessing the effectiveness of a particular minimum price and considering any proposal to vary it.

27. The Scottish Government does not consider there is a need to form a new Non-Departmental Public Body (NDPB) or other advisory group to advise on a minimum price. It is difficult to see what such a group could contribute in addition to the research already being undertaken through the Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS) programme. MESAS is a portfolio of seven studies led by NHS Health Scotland on behalf of the Scottish Government aimed at evaluating the success, or otherwise, of alcohol strategy (further details on the portfolio are provided in paragraphs 38-42)<sup>51</sup>. MESAS is committed to purchasing quarterly on and off-trade sales data until at least 2013 and has identified the continued procurement of price band data as a priority. These data will allow the impact of minimum

---

<sup>50</sup> *Ibid*

<sup>51</sup> The aims and objectives of MESAS is available on the NHS Health Scotland website: <http://www.healthscotland.com/scotlands-health/evaluation/planning/MESAS.aspx>

pricing on alcohol sales and prices to be monitored, and in turn how changes in price impact on trends in alcohol-related harm.

### **Alternative approaches**

28. The following alternative approaches were considered:

#### *Taxation*

29. The Scottish Government has noted the suggestion that the policy objective of protecting and improving public health by reducing alcohol consumption could, in theory, be achieved through increasing alcohol duty and taxation, and is often cited as a less intrusive method of achieving public health objectives. However, each case needs to be considered separately and the Scottish Government does not consider taxation, on its own, with the current duty regime which is reserved to the UK Government, to be an effective alternative approach for the following reasons:

- The Scottish Parliament presently has no locus in relation to alcohol duty and taxation; however the Scottish Government is pursuing the possibility, under the Scotland Bill, of devolving alcohol duties.
- The Scottish Government believes that independence is the best option for Scotland as this would allow maximum degree of autonomy and flexibility to establish a duty regime that addressed issues of alcohol related harm whilst having regard to the implications for the drinks industry.
- The current alcohol duty and taxation arrangements are inequitable with different types of products taxed at different levels. The UK Government has not addressed this anomalous situation by linking tax and duty to the Alcohol by Volume (ABV) of the product, rather than the type of product. This means the current taxation arrangements are not a basis on which to construct a policy that is fair to all alcohol producers, both foreign and domestic, and so a minimum price based on tax may have a disproportionate effect on some products and not others. The Scottish Government also notes the UK Government's view, in response to a No. 10 petition: "*the [UK] Government does not see alcohol duty as a prime tool for tackling the problems associated with alcohol consumption*"<sup>52</sup>. Their view on duty was further set out in their reply to the Health Select Committee Report on 'Alcohol': "*The primary purpose of alcohol duty is to raise funds for the public finances. Her Majesty's Treasury (The Treasury) takes a wide range of issues into account when deciding on alcohol taxation*"<sup>53</sup>.
- A scheme of taxation that was levied on a unit of alcohol and so treated products of the same strength in the same way would not comply with the current system of excise duty required by EU law. EU directives limit the ability to align duty with alcoholic content. Directives 92/83/EEC and 92/84/EEC make provision for minimum rates of excise duty on alcohol and specify methods for calculating the rate of duty. These Directives mean a rate of duty for wine needs to be based on the

---

<sup>52</sup> The Government Response to the *Morning Advertiser* (newspaper of the pub trade) Number 10 petition, January 2009, <http://webarchive.nationalarchives.gov.uk/20090120140958/http://number10.gov.uk/Page17942>

<sup>53</sup> The Government Response to the Health Select Committee Report on *Alcohol*, Department of Health, March 2010.

range of the alcoholic strength of each particular wine, rather than on the actual alcoholic strength of the wine and so prevent there being a scheme of taxation levied on a unit of alcohol. For example, wines of strength 8.5% to 15% would attract the same duty rate.

- Increases in taxation of alcohol will not necessarily result in a proportionate or indeed any increase in the price of alcohol as alcohol tax and duty increases are not always reflected in the price the consumer pays. For example, the Competition Commission's paper<sup>54</sup> on pricing practices noted that ten grocery retailers (9 of whom operate across Scotland) engage in below cost selling to varying extents. The Competition Commission further notes that for most grocery retailers, the majority of below-cost sales relates to two or three products groups, alcohol being one. This suggests that tax increases are sometimes absorbed by the retailer, absorbed by the producer or offset against other products. This means the price paid by the consumer can remain static, or reduce, meaning there would be no reduction in consumption and no reduction in harm. To the extent that prices are offset, customers are paying more for other groceries to subsidise alcohol consumption.
- There is evidence that across the board taxation increases do not have a targeted effect on the consumption of alcohol of those most at risk of alcohol related harm<sup>55</sup>. This is because harmful and hazardous drinkers consume a disproportionate amount of cheaper products<sup>56</sup>. A minimum price is a measure that is targeted at lower cost products.
- A straightforward increase in existing duty would impact on high price products as well as cheap ones and so would have a proportionately greater effect on moderate drinkers than a minimum price. When they are passed on taxes affect all drinkers<sup>57</sup>, while minimum pricing only impacts on consumers who currently purchase alcohol below the minimum unit price.
- Recent sales data<sup>58</sup> estimates that about two-thirds (67%) of all pure alcohol sold in Scotland in 2010 was sold through the off-trade. The average price of a unit of alcohol sold through the off-trade in Scotland was 45p per unit and 134p per unit through the on-trade. Minimum pricing and duty increases apply equally to both the on and off-trade. However, given that more alcohol is consumed in the off-trade than the on-trade and the price of a unit of alcohol is cheaper in the off-trade, a pricing measure that predominantly affects the off-trade is likely to be more effective at tackling alcohol harms.
- It is difficult to see how a taxation scheme could be devised that could be targeted on low-cost products in the same way that a minimum price would be. For a tax system to result in increases in the price of low-cost products but not in the price of high-

<sup>54</sup> Competition Commission (2008) Grocery inquiry: below cost selling (appendix 5.6), [http://www.competition-commission.org.uk/rep\\_pub/reports/2008/fulltext/538\\_5\\_6.pdf](http://www.competition-commission.org.uk/rep_pub/reports/2008/fulltext/538_5_6.pdf)

<sup>55</sup> E.g. Gruenwald et al developed a model which shows that price increases targeted at the lowest cost brand would produce a greater reduction in sales than across the board price increases. Gruenwald, P J Ponicki, W R Holder, H D and Romelsjö A (2006) *Alcohol Prices, Beverage Quality, and the Demand for Alcohol: Quality Substitutions and Price Elasticities* Alcoholism Clinical and Experimental Research 30 1: 96-105

<sup>56</sup> Booth et al (2008), op. cit.

<sup>57</sup> Hunt P, Rabinovich L, Baumberg B (2011) op cit

<sup>58</sup> Robinson M, Craig N, McCartney G, Beeston C. *Monitoring and Evaluating Scotland's Alcohol Strategy: An update of alcohol sales and price band analyses*. Edinburgh: NHS Health Scotland; 2011 <http://www.healthscotland.com/documents/5435.aspx>

cost products the rate of duty would have to be higher for low-cost products. This could be difficult to administer and would provide an incentive for retailers to increase prices rather than pay increased tax. One of the perceived advantages of taxation is that it increases revenue for the State rather than for the alcohol industry, however if a taxation scheme provided an incentive to raise prices to avoid paying tax then this would not be as effective in increasing revenue to the State.

- Ideally the Scottish Government would have the ability to use both taxation and minimum pricing as complementary tools to vary the price of alcohol: minimum pricing being particularly useful to ensure that increases in price are passed on to the consumer and in raising the price of the cheapest alcohol.

#### *Ban on off-trade discounts*

30. The Alcohol etc. (Scotland) Act 2010 bans quantity discounts in the off-trade. The policy objective of this is to discourage customers from buying more alcohol than they had originally intended. The Scottish Government's intention had been to introduce a ban on quantity discounts in the off-trade together with minimum pricing, however this was not achieved. The Scottish Government considers that without minimum pricing alongside a quantity discount ban, it is likely that retailers may offer straight discounts from list price by simply lowering the price of individual alcohol products. Straight discounting, offering a product for less than the previously advertised price, is also used within the alcohol off-trade, particularly in supermarkets. Even if a ban on straight discounting could be introduced, the same problem remains if minimum pricing is not introduced i.e. that retailers may simply lower the price of individual alcohol products.

#### *Self-Regulation or industry involvement in setting price*

31. The Scottish Government considers that its aim of protecting and improving public health by reducing consumption and the alcohol industry's aim of maximising sales and profit are incompatible. The Scottish Government believes the robustness of minimum pricing must be protected by ensuring that alcohol manufacturers, retailers and others with an interest in alcohol production, sales and marketing are not involved in the setting of a minimum price, or subsequent variations of that price. The Scottish Government, therefore, does not consider self-regulation or industry involvement in setting a price is either desirable or compatible with EU law and in particular Article 101 of the Treaty on the Functioning of the EU which would prohibit the alcohol industry from being involved in the setting of a minimum price.

#### *Preventing the sale of alcohol below cost*

32. The present UK Government originally undertook to ban the sale of alcohol below cost, however difficulties were encountered in determining what would constitute "cost price" (which will vary by product and over time). In the review of pricing policies carried out for the Home Office<sup>59</sup> the authors note that the literature on bans on alcohol sales below cost is the least developed of any price based option. Bans on below cost sales (in other markets) are usually intended to protect small retailers and producers and enable new entrants into the market. The Home Office study further found that: *"The few studies available from the US and Europe seem to suggest that bans on sales below cost increase prices without necessarily protecting smaller*

---

<sup>59</sup> Hunt P, Rabinovich L, Baumberg B (2010). Preliminary assessment of the economic impacts of alcohol pricing options in the UK. Home Office.

retailers, although a recent study on the longer-term effect on such bans shows that prices can actually go down”<sup>60</sup>. The UK Government has now opted for an alternative approach of banning the sale of alcohol below duty and VAT, as set out on 18 January 2011 in a ministerial statement by James Brokenshire, Parliamentary Under-Secretary of State for Crime and Safety<sup>61</sup>.

#### *Preventing the sale of alcohol below duty and VAT*

33. The Scottish Government recognises that this approach, now being pursued by the UK Government and also suggested by the Scotch Whisky Association during the Alcohol Bill process, would be a form of minimum pricing. However, the Scottish Government is not aware of any evidence or modelling to suggest that a minimum price fixed in this way would achieve its objective of protecting and improving public health.

34. The Scottish Government also notes that taxes are not fixed by reference to their anticipated effects on health and that, because excise duties are not imposed uniformly, this approach may have a disproportionate effect on some products and not others. As the foundations for this approach are anomalous (being based on the type of drink rather than the alcohol content), and the minimum price would be likely to be so low as to have little or no effect on public health, the Scottish Government does not believe this approach would be effective nor does it consider that it would be able to justify restricting the market in this way.

#### *The Canadian minimum pricing model*

35. The Scottish Government considered the Canadian minimum pricing model, known as “Social Reference Pricing”, where minimum prices are set by the Government of each province<sup>62</sup>. The Scottish Government noted that the primary purpose of the Canadian minimum pricing scheme is to prevent discount pricing practices that would drive problematic levels of consumption and fuel youth drinking, however the Scottish Government did not consider it a model that should be replicated in Scotland. In particular, the Canadian arrangements categorise different types of products and create bandings for different strengths of beer. The Scottish Government is concerned that the adoption of the Canadian scheme in Scotland would be unfair to the spirits industry in comparison to beer producers. The Scottish Government is therefore of the view that a minimum price based solely on the ABV of the product is a fairer and more robust approach.

### **ENFORCEMENT OF LICENCE CONDITIONS**

36. The provisions in the Bill create new conditions of premises licences and occasional licences granted under the Licensing (Scotland) Act 2005 (“the 2005 Act”) which will be enforced through the existing mechanisms provided for by that Act. The requirement not to sell alcohol below a minimum price would be a condition of premises licences and occasional licences granted under the 2005 Act, as this will capture all those licensed to sell alcohol in Scotland.

---

<sup>60</sup> *Ibid*

<sup>61</sup> <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110118/wmstext/110118m0001.htm#1101187000012>

<sup>62</sup> Minimum pricing occurs in 8 out of 10 Canadian provinces : Alberta and Quebec do not have minimum prices.



37. The 2005 Act provides that each local authority must appoint one or more Licensing Standards Officers (LSOs). Part of the role of the Licensing Standards Officer is to supervise the compliance by licence holders with the conditions of their licence and other requirements of the 2005 Act. The 2005 Act further sets out the functions of LSOs. If the LSO believes that any condition to which the premises licence or occasional licence is subject has been or is being breached, the LSO may (1) issue a notice to the holder of the licence requiring such action to be taken to remedy the breach as may be specified in the notice and (2) if in the case of a premises licence such a notice is not complied with to the satisfaction of the LSO, to make a premises licence review application in respect of the licence.

38. Following receipt of an application for a licence review, the licensing board may hold a hearing to consider the circumstances of the particular case and whether any sanction is appropriate. The sanctions available to licensing boards range from a written warning through to a licence suspension or revocation.

## **MONITORING AND EVALUATION**

39. In 2008, the Scottish Government tasked NHS Health Scotland to lead the development and delivery of a monitoring and evaluation plan to assess the success of the alcohol strategy. A Monitoring and Evaluation Reference Group on Alcohol (MERGA) was established with representatives from NHS Health Scotland, Scottish Government, Information Services Division (ISD) Scotland, NHS Boards, Police, Voluntary Sector and research/evaluation specialists to develop a portfolio of studies. The resulting portfolio of seven studies was peer-reviewed by experts from both the alcohol policy and evaluation fields.

40. As the portfolio moved from planning to delivery, MERGA was replaced by the Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS) workstream led by NHS Health Scotland. NHS Health Scotland's role is to commission, manage and deliver the portfolio of studies, with the Scottish Government's Alcohol Evidence Group (which comprises a range of key stakeholders) providing strategic direction and advice.

41. The key objectives of MESAS are:

- to track the implementation progress and reach of key actions in order to inform any necessary amendments or adjustments;
- to assess the extent to which intended outcomes are achieved and are attributable to the actions currently being taken forward by the Scottish Government;
- to identify any unintended outcomes or displacement effects, including differential effects or outcomes which may impact on health inequalities.

42. One of the key studies within the portfolio assesses trends in alcohol sales / consumption and, in turn, how these trends impact on alcohol-related harm. MESAS is committed to purchasing quarterly on and off-trade sales data (Scotland and England & Wales) until at least 2013 and has identified the continued procurement of price band data as a priority. The existing portfolio is therefore designed to monitor the impact of minimum pricing on alcohol-related harm. This includes the potential to assess whether minimum pricing has a differential impact in terms of gender, age and deprivation through the analysis of mortality and morbidity data.

43. In addition, in reviewing the current study portfolio the Alcohol Evidence Group highlighted the need to measure potential short/intermediate responses individuals in different groups may make to the introduction of minimum pricing, including identifying any unintended consequences. Priority will therefore be given to expanding the portfolio to address these potential gaps. NHS Health Scotland is currently developing proposals to broaden the evaluation, including potentially through joint funding arrangements with other external organisations.

## **CONSULTATION**

44. Discussion and debate on minimum pricing started in Autumn 2007 when the Scottish Government announced its intention to look at minimum pricing as a way to reduce alcohol consumption. A comprehensive package of measures, including minimum pricing, was published for consultation in June 2008 in *Changing Scotland's relationship with alcohol: a discussion paper on our strategic approach*<sup>63</sup>. The discussion paper set out a range of proposals and ideas to address the growing trend of alcohol misuse. The Scottish Government received 259 responses from individuals and 207 responses from organisations. In addition, two MSPs submitted the results of consultations they had carried out with constituents; the Scottish Prison Service provided the views of prisoner and prison service staff; East Renfrewshire Council and Dundee Drug and Alcohol Action Team submitted the views of young people in their area; Young Scot provided the results of a survey and focus groups they carried out on behalf of the Scottish Government; and Scottish Government Ministers also received 53 letters or e-mails on the subject. As part of the consultation process, the Scottish Government held a Youth Summit to gather views on alcohol and its impacts on young people.

45. The Scottish Government commissioned an analysis of the written responses to the discussion paper from Hexagon Research and Consulting<sup>64</sup>. Specific issues raised in the consultation that are relevant to this Bill are discussed under the relevant section headings in this document, including alternative approaches.

## **Key Findings**

### *Pricing of alcohol*

46. Although the discussion paper asked respondents to comment on the principles on which a minimum pricing scheme for alcohol should be based, most respondents commented on whether a scheme should be established. There was no consensus amongst individual respondents with 49% in favour of introducing minimum retail pricing and 43% against. However, two thirds (65%) of organisations were in favour, while just under a quarter (23%) were opposed. Of those, 90% of health organisations were supportive of minimum pricing, as were 84% of local government bodies, whilst 61% of trade and business sector organisations were opposed.

---

<sup>63</sup> *Changing Scotland's relationship with alcohol: a discussion paper on our strategic approach*, Scottish Government, 2008.

<sup>64</sup> *Analysis of Responses to the Consultation on the Scottish Government's Strategic Approach to Changing Scotland's relationship with Alcohol*, Scottish Government, 2009  
<http://www.scotland.gov.uk/Publications/2009/02/24154414/0>

47. Most of the organisations that supported minimum pricing for alcohol did not comment on the proposed principles on which a scheme should be based outlined in the discussion paper but the majority of those that did suggested that minimum prices should be based on alcoholic strength and should apply across both off and on-sales. Those respondents in favour of the proposals supported the rationale put forward in the discussion paper, e.g. that the increasing affordability of alcohol is one of the main drivers in higher consumption and harm. Reasons given by those who expressed opposition to minimum retail pricing included minimum pricing being perceived as a form of taxation, opposition to the Government setting prices and to the likely impact of increasing the price of alcohol on 'responsible' drinkers and people on low incomes.

48. Further consultation on minimum pricing took place during the passage of the Alcohol Bill - minimum pricing was included in the Bill as introduced. During this process numerous discussions took place with stakeholders including:

- Alcohol Concern
- Alcohol Focus Scotland
- Aldi GmbH
- Anheuser-Busch InBev
- Asda Stores Ltd
- Association of Chief Police Officers Scotland
- British Liver Trust
- British Medical Association
- Convention of Scottish Local Authorities
- Co-op
- Diageo plc
- The Edrington Group Ltd
- Federation of Small Businesses
- William Grant & Sons
- Marks and Spencer plc
- Wm Morrison Supermarkets plc
- J Sainsbury plc
- The Scottish Government Alcohol Industry Partnership
- The Scottish Grocers' Federation
- Scottish Health Action on Alcohol Problems
- The Scottish Licensed Trade Association
- The Scotch Whisky Association
- Tesco plc
- The Wine and Spirits Trade Association

- Whyte and MacKay Ltd.

49. Consultation meetings to discuss draft provisions on the Alcohol Bill, including minimum pricing, took place with the Scottish Government Alcohol Industry Partnership (SGAIP) and with the Law Society of Scotland Licensing Committee. The SGAIP has been informed of the contents of this draft Bill, and discussions will continue during the Bill process.

50. During the passage of the Alcohol Bill, there was growing recognition that addressing price is an important element of any long-term strategy to tackle alcohol misuse. Support for minimum pricing is also growing and is coming from all quarters - all 17 of Scotland's public health directors in NHS Scotland, the four UK Chief Medical Officers, British Medical Association, the Royal Colleges, Association of Chief Police Officers in Scotland, Scottish Licensed Trade Association, Church of Scotland, various children's charities, Tennent's, Molson Coors. Support for minimum pricing from respondents to a survey conducted by TNS-BMRB which has run from August 2009 to March 2011 has shown support of around 58% (August-September 2009) to support of around 45% (March 2011).

51. The European Commission and the Office of Fair Trading have been kept informed of the proposals throughout the development process. The Scottish Government will continue to engage with these bodies.

## **SECTION 2: REPEAL OF SECTION 1 OF ALCOHOL ETC. (SCOTLAND) ACT 2010**

### **Policy Objective**

52. To remove section 1 of the Alcohol Act as it has no practical effect as it makes provision for the expiry of amendments made by a section that is not contained in the Act. Section 2, therefore, repeals section 1 of the Alcohol Act.

### **Alternative approaches**

53. None.

### **Consultation**

54. None.

## **EFFECTS ON EQUAL OPPORTUNITIES, HUMAN RIGHTS, ISLAND COMMUNITIES, LOCAL GOVERNMENT, SUSTAINABLE DEVELOPMENT ETC.**

### **Equal opportunities**

55. The Bill's provisions do not discriminate on the basis of age, gender, race, religion, disability or sexual orientation.

## **Human rights**

56. The Scottish Government is satisfied that the provisions of the Bill are compatible with the European Convention on Human Rights.

57. The Bill provides for an amendment to existing licence conditions under the 2005 Act. This could give rise to issues under Article 1 of Protocol 1 should the amendment amount to an interference with a licence-holder's property rights. However the rights under Article 1 of Protocol 1 are not absolute and they may be interfered with if this can be justified in the public interest, is proportionate and is in accordance with the law. In relation to section 1, the Scottish Government considers that any interference could be justified, proportionate and in accordance with the law. The provision is, therefore either compatible with the ECHR or capable of being exercised in a manner that is so compatible.

## **Island communities**

58. The Bill has no differential impact upon island communities. The provisions of the Bill apply equally to all communities in Scotland.

## **Local government**

59. Minimum pricing will directly impact upon local authorities and the Convention of Scottish Local Authorities (COSLA) was consulted on minimum pricing during the passage of the Alcohol Bill. The Scottish Government is satisfied that the Bill has no detrimental impact on local authorities.

## **Sustainable development**

60. The Bill will have a positive impact on sustainable development by reducing the negative social and economic cost of alcohol misuse.

*This document relates to the Alcohol (Minimum Pricing) (Scotland) Bill (SP Bill 4) as introduced in the Scottish Parliament on 31 October 2011*

# **ALCOHOL (MINIMUM PRICING) (SCOTLAND) BILL**

## **POLICY MEMORANDUM**

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2011.

Applications for reproduction should be made in writing to the Information Policy Team, Office of the Queen's Printer for Scotland, Admail ADM4058, Edinburgh, EH1 1NG, or by email to: [licensing@oqps.gov.uk](mailto:licensing@oqps.gov.uk)

OQPS administers the copyright on behalf of the Scottish Parliamentary Corporate Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by APS Group Scotland.  
ISBN 978-1-4061-7779-4