

**RSE RESPONSE TO SCOTTISH GOVERNMENT
IMPLEMENTATION OF MINIMUM UNIT PRICING**

- 1 This paper was prepared using the expertise of a Working Group which consisted of the Royal Society of Edinburgh (RSE) Fellows and Young Academy of Scotland members. The Advice Paper has been approved by the General Secretary of the RSE, Professor Alan Alexander.
- 2 The RSE welcomes the decision by the UK Supreme Court giving the Scottish Government permission to implement the Minimum Unit Pricing (MUP) legislation that was agreed by the Scottish Parliament in 2012. It is understandable that the Scottish Government is now seeking views on the implementation of MUP, given that five years have passed since the Scottish Parliament agreed to the policy.
- 3 The RSE responded to the 2011 consultation on proposals to introduce MUP in Scotland. In that response, we supported the implementation of MUP in Scotland, recognising the range of benefits that can be expected from controlling the price and availability of alcohol. We also supported a rate of 50 pence per unit, as the minimum price to be set (RSE, 2011).
- 4 For the current consultation, we are pleased to reiterate our support for the policy of Minimum Unit Pricing. We have considered the rate at which the minimum unit price should be set. While we recognise that the setting of the price at 50p per unit remains a reasonable figure, we believe there is a case for considering a higher base price. First, there are calls from other political parties in Scotland to review the 50p rate with a view of increasing it, and therefore a bold government committed to impacting on high levels of consumption of cheap alcohol, could gain political support for a higher rate. Second, the 50p rate was proposed 5 years ago and has not been adjusted to reflect changes in the economy and to the cost of living since then. It is our view that, taking into account inflation and other price rises, the minimum unit price for alcohol could now be set at 60p. If you were to use the Consumer Price Index for alcoholic products from 2011 to 2017 the price would be 64p (this is using the latest statistics provided by Office of National Statistics). Moreover, research presented to the Scottish Parliament's Health and Sport Committee in 2010 (Beath, 2010), demonstrated that a minimum unit price of 50p would only be half way up the price distribution of off-trade products; a 70p rate would capture a large proportion of off-trade products – but even at this rate the effect on-trade is relatively minor. We recognise, however, that the government must consider any delay in implementation that might arise from a change in the price.
- 5 Therefore, the RSE recommends reviewing the 50p minimum rate prior to implementation. An increase to 60p would be feasible, reflect the changes to the economy since 2011, and could be supported by a majority in the Scottish Parliament. A rise to a rate of 70p would reflect a greater degree of ambition, might also be supported and would have a larger effect on the consumption of alcohol and on inequalities of outcomes. We have concerns that the 50p rate proposed in 2011 will be introduced now and remain for a further five years, by which time its real value, and therefore the effectiveness of MUP, will be considerably reduced.

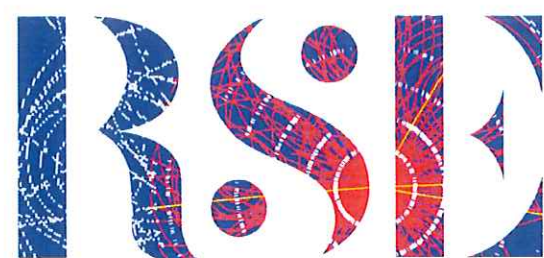
- 6 In addition to responding on the recommended minimum unit price, the RSE would like to make some additional comments on the policy and its implementation.
- 7 The RSE recognises that, unlike a tax on alcohol which would benefit the Scottish Exchequer and could be hypothecated for other aspects of an alcohol strategy for Scotland, this policy will result in the revenue generated from the increased unit price going to the industry and retailers. We recommend that the Scottish Government continues to look at approaches to redress this so that money can be used for the public good.
- 8 It is our view that the impact of Minimum Unit Pricing will crucially depend on the wider context in which it is introduced. People's abilities to reduce their own consumption, and support family and friends to do so, will be greater where support services and community amenities are readily available. Therefore, in order to maximise the effectiveness of this important economic tool of MUP, it should be deployed as a part of a wider and more comprehensive approach. Specifically, localised community supports, community engagement approaches, and ready access to a range of services (including from the third sector) can help provide an understanding and alternatives to drinking alcohol. The RSE would encourage the Scottish Government to invest in this sort of local infrastructure through the new Framework for Action on alcohol which is expected later this year.
- 9 The 2011 RSE response highlighted the risk of the emergence of grey markets because of the alcohol price differential between Scotland and the rest of the UK. This may take several forms, including: sales made via the internet (now more common than in 2011); purchases from the nearest retail outlet in another part of the UK where the legislation does not apply; the emergence of agents who purchase large quantities from the rest of UK for resale in Scotland; and home brewing that is sold in Scotland. The emergence and scale of these grey markets will be affected by the size of the price differential, and the Scottish Government should consider this risk in setting the MUP level.
- 10 The RSE welcomes the work from NHS Health Scotland and the Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS) collaboration to ensure a wide-ranging evaluation of MUP. In our view, the evaluation plan covers most of the key issues around MUP and we commend those involved in ensuring this is in place. Following from the point above, we regard it as very important that unintended consequences – such as the emergence of grey markets – are also included in the evaluation. We would also emphasise the value of some local, community-based research to develop a good, in-depth understanding of the ways in which the policy impacts on people and communities with the least resources and power, and the poorest health outcomes. The Chief Scientist Office of Scottish Government would be well placed to seek and support research proposals of this type.
- 11 Finally, we recommend that the research and evaluation processes should be formative: able to inform the policy implementation and review processes on an ongoing basis. While we support a definitive evaluation presenting results five years post-introduction, it is essential that the policy is kept 'live', the level of the minimum price regularly reviewed, and its impacts monitored more frequently.

References

- The RSE. (2011). 'Alcohol Minimum Pricing Bill: A Response to the Scottish Parliament Health and Sport Committee'.
 Beath, J. (2010). 'Some Economic Implications of the Minimum Pricing of Alcohol'

Additional Information

This Advice Paper has been signed off by the General Secretary of the RSE.
Any enquiries about this Advice Paper should addressed to Mr Paul Stuart (email: pstuart@theRSE.org.uk)
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