Introduction

North Ayrshire Council welcomes the opportunity to comment on the terms of the Alcohol (Minimum Pricing) (Scotland) Bill currently before the Scottish Parliament. It is noted that the Committee invites evidence on the following:

- The advantages and disadvantages of establishing a minimum alcohol sales price based on a unit of alcohol;
- The level at which such a proposed minimum price should be set and the justification for that level;
- Any other aspects of the Bill.

Background

North Ayrshire is one of the more socially challenged areas of Scotland having a number of data zones within the most deprived 15% in the Scottish Index of Multiple Deprivation. Social and economic deprivation is also reflected in the health statistics for North Ayrshire. The number of people assessed for alcohol or drug misuse within North Ayrshire rose from 336 in 2009/10 to 463 in 2010/11. Alcohol related deaths rose from 22.1 per 100,000 in 2008/09 to 24.1 in 2009/10.

More generally, the cost of alcohol over the period from 1990 to 2010 has fallen by 30% for beer and cider and 20% for wines and spirits in real terms. Put simply, alcohol is more affordable. North Ayrshire is statistically worse than the Scottish average for alcohol related hospital admissions.

Dealing with alcohol related issues is a priority for North Ayrshire Council and its Community Planning Partners. The Action Plan for 2009-12 sets out a series of actions all of which relate to living healthier lives. The pressure on health services and related Council services is constant. For this reason the Council supports any action to be undertaken to address the influence alcohol has on daily lives.

Advantages and Disadvantages of Minimum Pricing

There is strong evidence from around the world that price increase or higher taxation on alcohol has a significant impact on reducing demand for alcohol. Whatever steps are taken these have to reflect the spectrum of society’s use of alcohol be it youth, middle age or the elderly. As a local authority with health agenda as a high priority any effort to increase the price of alcohol is to be supported.

By setting a minimum price for a unit of alcohol this will standardise the retail minimum price across Scotland. Alcoholic drinks vary in strength depending on the type and quality. Evidence from the Institute of Fiscal Studies has demonstrated that the majority of alcohol purchased from supermarkets and other off licences is below the 50p per unit value and these/
these lower valued alcoholic drinks make up a significant proportion of all alcohol sold in these premises.

It is recognised that the terms of the Bill will allow for subsequent variation of the unit price set by Ministers and if this is the preferred option, then the ability to vary, depending on current relevant factors would appear to be appropriate.

The consultation Memorandum describes the alternate of increased taxation as a method of increasing the price of alcohol and hopefully reducing consumption. Taxation is levied at source from the manufacturer but is passed on to the consumer in the retail price of the product. It is recognised that the levy or duty varies depending on the type of alcohol – spirits, wines, beer, with some lower alcohol value beers being taxed at much lower rates. This is seen by many to encourage the purchase of this type of product.

There are mixed views on the benefits of taxation as a means of reducing alcohol consumption. We do not believe that this is the most effective means of achieving the government’s objects.

Minimum pricing will achieve a consistent approach to alcohol and with the cooperation of the drinks industry will see investment in measures to develop longer term strategies to address alcohol consumption within our communities.

Given the above facts the Council considers that minimum pricing of alcohol is the best way forward to begin the longer term process of dealing with alcohol consumption in Scotland.

**Level of Proposed Minimum Price**

The level to be set for the unit of alcohol presents significant difficulty as the current range of unit values depends on where the alcohol is purchased and the type of alcohol. In-house sales can be on average £1.31p per unit, while off sales can be anything from 40p to 20p per unit.

The Council is aware of the work being undertaken by the University of Sheffield on alcohol pricing and promotion. Their evidence supports that in Scotland the majority of off sales alcohol (80%) is sold at between 25p to 55p per unit. Of that 75% of cider is sold at less than 40p per unit. Vodka sales through off sales premises are often at a rate of less than 35p per unit.

Given the above range of statistics it is difficult to determine what should be the minimum price unit. The previous Bill on minimum pricing proposed a unit value of 45p. Modelling around this value suggests that this would decrease consumption of alcohol by 6.47% across Scotland. As this is a new concept and therefore untested, and the fact that Ministers have the right to vary the unit price, we consider that 45p would be an appropriate starting point although the final decision must rest with the Scottish Ministers.

**Other Aspects of the Bill**

The Bill itself has little detail to consider other than the formula for calculating the minimum price. Much more work needs to be undertaken to increase awareness of alcohol and it detrimental effect on health. The minimum price will impact on the drinks industry and the Scottish Government needs to engage more robustly with that industry to develop a longer term strategy on addressing alcohol consumption in Scotland.