Alcohol (Minimum Pricing) (Scotland) Bill

Pricing mechanism

Scottish Beer and Pub Association

Thank you for giving my Association the opportunity to further comment on the Committee’s deliberations around the Alcohol (Minimum Pricing) (Scotland) Bill in relation to the “Mechanisms for Changing the Minimum Price” Paper.

I would make the following comments in respect of the Paper.

Firstly, the Association still supports the position as outlined in our initial response to the Committee, namely:

“Process

In the event that the Scottish Government is successful in passing the Alcohol (Minimum Pricing) Bill, the Association would suggest that the processes for reviewing and adjusting any minimum pricing level need to be made more transparent and explicit. We believe that the Scottish Government has said that any proposal to adjust the minimum pricing level would be subject to an affirmative vote by the Scottish Parliament.

“SBPA would suggest that this needs to go further in that the Parliament, in advance of any vote on these matters, should have to take evidence on these matters and produce a report commenting on any Scottish Government proposals to adjust minimum pricing levels. This exercise should perhaps be advised by an independent advisory group with a wide membership reflecting the lack of industry involvement.

“Again we would suggest this detail needs to be included on the face of the Bill itself and not left to Regulations which are subject to much lower levels of parliamentary scrutiny than the legislation itself.” [SBPA Submission to the Scottish Parliament Health and Sport Committee’s Inquiry Into the Alcohol (Minimum Pricing) (Scotland) Bill]

Secondly, given these comments we would not support there being some form of automatic uprating in the minimum unit price for alcohol linked to either CPI or indeed RPI.

Thirdly, as stated in our previous response, and in the Committee’s Paper, we would agree that regular uprating on an Index-Linked basis “may lead to instability in the contracts negotiated between retailers and manufacturers and lead to logistical problems for retailers in terms of things like price labelling.”

Fourthly, in terms of the two options set out in the paper, we would be more inclined to support the second option, specifically that any change to the minimum unit price is linked to a biennial methodological study to evaluate effectiveness of the policy. This impact assessment should be wider than just whether minimum pricing and should also consider the impact on moderate consumers, lower demographics, black market and different types of businesses. We believe it will take a minimum of two years for consumer behaviour to settle down; trying to analyse changes earlier than this will not produce meaningful analysis. This method of evaluation will also allow a greater understand any compensating behaviour by consumers which is currently not foreseen. Any research will need to be based on pre-defined
parameters as to what will constitute success for the policy in order for it to be meaningfully evaluated.

However, we would suggest that the use of this mechanism should not have an automatic effect, i.e. that any analysis generated by this methodology should still be subject to detailed inquiry by the relevant Scottish Parliament Committees and to a formal decision by the Scottish Parliament. This would allow an additional safeguard to be put in place prior to any adjustment in the minimum unit price being allowed to take place.

This is in line with the comments made in our original response as above.

I trust that our comments are of use and we will be willing to supply any further information or comment to the Committee should that be required.

Yours sincerely

Patrick Browne
Chief Executive
Scottish Beer and Pub Association