

Item 8.

## **Minimum Unit Pricing for Alcohol in Scotland**

A minimum unit price for alcohol will start on 1 May 2018. The Scottish Government has proposed a price per unit of 50p to the Scottish Parliament. This will be brought into effect by the Alcohol (Minimum Pricing) (Scotland) Act 2012 which amends the Licensing (Scotland) Act 2005.

If the Parliament agrees, from 1 May 2018 all alcoholic drinks must cost at least 50p per unit. Anyone with a licence to sell alcohol will not be allowed to sell it cheaper than this.

This covers both:

- Retailers that sell alcohol for drinking off the premises (like newsagents and supermarkets).
- Places that sell alcohol for drinking on the premises (like pubs, bars, clubs and restaurants).

### **Retailers**

Retailers will need to follow the new minimum unit price on alcohol if they sell alcohol and hold either a premises licence or an occasional licence. They will need to make sure that none of the alcohol sold from 1 May 2018 costs less than 50p per unit.

There will be no 'period of grace' allowed for carrying out minimum unit pricing – retailers must be selling alcohol at the right price on 1 May 2018 with no exceptions.

Wholesalers do not need to comply with minimum unit pricing if they only carry out trade-to-trade business. Guidance for wholesalers is being drafted by the Scottish Wholesale Association.

### **Responsibility**

The people responsible for making sure the minimum unit price is followed are:

- The premises licence holder.
- Premises managers.
- Staff working on the licensed premises.

If the minimum unit price is not followed this could lead to a review of the premises, and its licence could be taken away.

### **How to calculate the minimum unit price of a product**

Every drink will have a minimum price based on the amount of pure alcohol it contains.

This can be calculated as:

The price per unit (£0.50) x the strength of alcohol (ABV) x the volume in litres.

Here are some examples:

- A 700ml bottle of spirits at 37.5% ABV must cost at least £13.13 (£0.50 x 37.5 x 0.7).
- A 500ml super strength can of beer at 9% ABV must cost at least £2.25 (£0.50 x 9 x 0.5).
- A 2-litre bottle of strong cider at 6% ABV must cost at least £6.00 (£0.50 x 6 x 2).

Most alcohol products show the number of units on the label. This should not be used when calculating the minimum price – it has been rounded, which means you might end up with a price lower than the minimum.

## Rounding up

If a calculation does not result in a whole number of pennies, it must be rounded up to the nearest whole number – if you round it down, the price will be lower than the minimum.

For example, a standard 750ml bottle of wine with an ABV of 12.5% would have a minimum unit price of £4.68 <sup>3</sup>/<sub>4</sub> (£0.50 x 12.5 x 0.75). In this case, the minimum price would be £4.69.

## Enforcement

Minimum unit pricing will be enforced by Licensing Standards Officers (LSOs), employed by local authorities. Officers will help explain minimum pricing and give advice and guidance to business. The LSO will expect to see clear pricing for every alcoholic product being sold, and these prices should be at or above the minimum unit price.

If a LSO finds products for less than the minimum unit price, they have the power to issue the licence holder with a notice. This will usually require the licence holder to either change the price of a certain product or stop selling it. If a notice is ignored, the LSO can ask the Licensing Board to review the licence.

## Business checklist

To make sure alcohol products are not being sold at less than the minimum unit price, businesses can follow these steps:

- Calculate the minimum price of a product.
- Update the central pricing systems (if needed) to make sure the new price is shown when the barcode scans.
- Change the price on any price tags and pricing displays on shop shelves.
- Change the price on menus.

- Change the price on promotional posters, flyers and other materials.
- Change the price on websites.

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