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Estimating revenues from a proposed
levy on non-domestic rates for alcohol
retailers in Scotland

February 2024

Table of contents

The Fraser of Allander Institute

1

**Background and
Introduction**

3

Methodology

5

Results

12

Conclusion

13

Sources

15

**Annex 1: Modelled
revenues by rate
poundage threshold
and premise type**

16

**Annex 2: Modelled
revenue by local
authority**

17

**Annex 3: Mean
annual payments by
premise type and
rateable value band**

Disclaimer

The analysis in this report has been conducted by the Fraser of Allander Institute (FAI) at the University of Strathclyde. The FAI is a leading academic research centre focused on the Scottish economy.

The report was commissioned by Alcohol Focus Scotland in 2023.

The analysis and writing-up of the results was undertaken independently by the FAI. The analysis and reporting on results have been conducted independently by the Fraser of Allander Institute, and the results hereby presented have not been influenced by Alcohol Focus Scotland. The FAI is committed to providing the highest quality analytical advice and analysis. We are therefore happy to respond to requests for technical advice and analysis. Any technical errors or omissions are those of the FAI.

Authorship

This report has been compiled and written by João Sousa and Allison Catalano.

Background and Introduction

This paper estimates a range of revenues that might be raised by a levy on non-domestic rates (NDRs) for businesses which sell alcohol exclusively for consumption off-premises in Scotland, based on parameters proposed by Alcohol Focus Scotland.

Examining approximately 2,700 premises with exclusively off-premises licences in Scotland, we find that a 13p per pound of rateable value (RV) – the same rate as the Public Health Supplement in 2013-14 and 2014-15 – would be expected to raise around £57 million per year. We also estimate that changing the levy rate by 1p would change revenues by £4.4 million per year, resulting in revenues of £44 million per year for a 10p levy and £70 million per year at a 16p levy.

The Public Health Supplement

From 2012-13 to 2014-15, the Scottish Government imposed a levy on large retailers selling alcohol and tobacco. This levy, called the Public Health Supplement, added a 13p (9.3p in 2012-13) supplement to the non-domestic rates of retail premises which sold both alcohol and tobacco, and which had a rateable value over £300,000, bringing in approximately £95 million over its lifespan. It is not entirely clear why the government chose to let it expire, nor is it clear how these additional funds were used (Hellowell, Smith and Wright, 2016).

Impact on retailer revenues from minimum unit pricing

Minimum unit pricing (MUP) on alcohol was introduced in Scotland in 2018. MUP is not a tax, but a price floor, which means that price increases result in additional revenue to sellers and not the government, as detailed by Griffith et al. (2022). Public Health Scotland's (2023) analysis suggests that for the off trade, it is likely that revenues increased, with price increases more than offsetting a fall in volumes sold.

The exact extent of these additional revenues is difficult to estimate. Prior to introduction, Angus et al. (2016) estimated they might amount to £41 million; Griffith et al. (2022) estimated a much higher amount of around £383 million. Some of these additional revenues will have generated additional VAT receipts, but do not directly generate additional tax revenues for the Scottish Government.

The original MUP legislation is scheduled to sunset the policy by 30 April 2024, meaning that a vote in the Scottish Parliament is required for it to continue beyond this date. The Scottish Government consulted on the renewal of the policy and on increasing the price to 65p in late 2023 (Scottish Government, 2023a).

Non-domestic rate framework and rateable values

Non-domestic rates (NDRs) are a tax on non-domestic properties based on their rateable value, which is determined by the Scottish Assessors Association. Rateable values are generally related to the rental value on the property, although they can be related to turnover (Congreve and McFadyen, 2023).

The Scottish Government sets a basic property rate, or “poundage”, based on these rateable values. Annual tax bills for premises are based on the rateable value multiplied by the poundage, and then by subtracting any applicable discounts. Premises with a rateable value below £20,000 or small

businesses located in rural areas may be eligible for discounts, however (mygov.scot, 2023). A business with no discounts and a rateable value of £51,001, for instance, would pay £26,062 per year. Rates for 2023 / 2024 are provided in Table 1.

Table 1: Poundage rates for Scottish businesses, 2023 / 2024

| Rateable value | Rate poundage (in pence per £1 of rateable value) |
|---------------------|--|
| < £51,001 | 49.8 |
| £51,001 to £100,000 | 51.1 |
| > £100,000 | 52.4 |

Source: mygov.scot, 2023

Non-domestic rates are paid by businesses to their local authority. Revenues are then pooled centrally into the Non-Domestic Rating Account (NRDA), from which the Scottish Government decides on the distributable amount. The NDRA can carry some reserves over time, but ultimately its purpose is to fully redistribute revenues.

The system for allocating revenues to councils from the NDRA is quite complex, and its design is the responsibility of the Scottish Government. The mechanism is based on previous year’s collection figures for each council, but also allow for an incentivisation scheme that allows councils to keep some additional revenue, which has been reintroduced since 2023-24 (Scottish Government, 2023b).

Given the complexities of the redistribution system, we focus only on collected NDRs, both at the local level and at the aggregate level, and not on the distributed amounts.

Alcohol Focus Scotland's proposed policy

Alcohol Focus Scotland has asked the Fraser of Allander Institute to model how much revenue might be raised by a levy similar to the Public Health Supplement on non-domestic rates, but with two differences. The alcohol levy would only apply to off-premises selling alcohol and it would apply to a wider range of premises, rather than applying exclusively to large premises with rateable value over £300,000.

This levy would create an additional liability for shops, supermarkets, and distribution centres that exclusively have licences for off-sales. It would add an annual levy on businesses based on their rateable value.

A number of exclusions are assumed to apply. Breweries, distilleries, museums, and historical sites generally sell alcohol in an area within their facility, but this is not their main business and therefore are assumed to be excluded from the scope of the policy. We assume that these businesses hold additional registration schemes, such as brewer registration or distiller licences from HMRC. Museums and historical sites may be registered through the Scottish Charity register or managed by National Museums Scotland, which may allow policymakers to differentiate these businesses from shops and supermarkets.

As it would be for legislators to decide the exact parameters of the levy, our calculations do not have a lower threshold of rateable value at which properties would be liable for the levy. We also present the revenue that would be generated from this levy if rateable value thresholds were applied, as was the case with the Public Health Supplement.

Methodology

We modelled the impacts of three potential levels of a levy on these businesses. We start by assessing the potential revenues from a 13p levy, which is the same rate that was in place in 2013-14 and 2014-15. We also examine revenues for a 10p and 16p levy.

Rateable values for each premise operating in Scotland are compiled by the Scottish Assessor’s Association, which compiles these values in a document called the Valuation Roll. Using data on licensed premises from local authorities and searching for specific keywords within the valuation roll, we determined an approximate number of premises in Scotland which have a licence to sell alcohol off-premises.

The types of businesses included are listed in Table 2. These categories are based on information included in the valuation roll, which includes descriptions of the type of business, company name of the main proprietor, tenant or occupier. The valuation roll is somewhat inconsistently kept and may not include all of this information or may choose to label businesses as “shops” or “supermarkets” with no clear delineation between the two. For clarity and consistency, we have labelled companies under “supermarket” as big national supermarket chains and discounters, such as Aldi, Asda, B&M, Co-op, Iceland, Lidl, M&S, Morrison’s, Sainsbury’s, Tesco, and Waitrose. The valuation roll does not allow us to differentiate between large stores and smaller stores within a company due to limitations in the data. This means that premises categorised as a “supermarket” will includes stores of all sizes, such as Tesco Extra (which we would traditionally think of as a supermarket) and Tesco Express (which some may be considered a convenience store).

“Distribution centres” refer to large online retailers’ warehouses (including Amazon and Majestic Wines), which do sell alcohol directly to consumers. “Convenience stores” refers to smaller retail chains, such as Spar, McColl’s, and Newsagents. “Filling station” refers to petrol stations. We determined which premises fit in this category by searching for names of chain stores, such as Esso, BP, and Shell; we also used key word searches to determine independent retailers. The final category, “Shops,” refers to businesses which are not otherwise captured under the other categories. These include some large retailers which do not fit neatly into other categories, such as John Lewis and Home Bargains. In general, however, these are independently owned or operated businesses, which have an indication that they sell alcohol (for instance, through a business name which features a word related to “alcohol” or “off-licence”).

Table 2: Types of off-licensed premises examined

| Type of premise | Number of premises | Proportion of premises |
|---------------------|--------------------|------------------------|
| Supermarket | 1,197 | 44% |
| Shop | 543 | 20% |
| Filling station | 520 | 19% |
| Convenience store | 429 | 16% |
| Distribution centre | 16 | 1% |
| Total | 2,705 | 100% |

Assumptions

This modelling examines businesses that exclusively hold a licence to sell off-premises, and which fall under the five business types outlined in Table 2. Other businesses which hold off-licences include museums, historical sites, breweries, and distilleries. We have excluded these businesses from our calculations.

We also do not account for any potential NDR discounts that a business may have. This is because we are not able to determine how many businesses a ratepayer owns, meaning that we are unable to determine what discounts they may be eligible for. It would be for the legislator to determine whether this levy would apply before or after any discounts are due.

We examined 2,705 of the approximately 5,100 off-licensed premises in Scotland (Scottish Government, 2022). This is because information from councils on licensed premises is often incomplete, unavailable, or out-of-date.

In order to capture as many businesses as possible, we first matched data to the Glasgow City Council register. This allowed us to understand which businesses are likely to have off-premises licences. We then added businesses from other local authorities based on key word searches. The businesses which are most likely to be impacted by this policy are large chain retailers, especially grocery stores. Using key word searches, we were able to find most, if not all, large retailers in this category.

The businesses we were unable to capture are likely to be small shops with no indication that they sell alcohol. Small retailers do not contribute much to NDR revenues, however, and may be eligible for additional tax relief.

As a result, there remains some uncertainty in the final numbers. In areas where we have examined levy designs applying to rateable value thresholds above £20,000, these figures are likely to be an underestimation. We cannot determine the extent to which this is an underestimation of the final total figures, due to uncertainty about the businesses we were unable to capture.

Limitations

It is possible that if some retailers sell very little alcohol but have large premises, they might opt to stop selling alcohol altogether in order not to be liable for the levy. We have not quantified this effect, although we expect it to be small, as nearly all of the largest retailers and therefore taxpayers would be large supermarkets.

The report's calculations rely on the valuation roll and matching with licensing data. If there were any errors in either, this would affect the calculations. Data from more local licensing boards could also be obtained, although full matching to the valuation roll across Scotland would require a large amount of manual matching given inconsistent formatting and would therefore be beyond the scope of a report such as this one. One recommendation to improve future analysis in this area would be to work with bodies such as the Scottish Government and the Convention of Scottish Local Authorities (COSLA) to harmonise the formatting of licensing data reporting across all 32 local authorities.

Results

How much is currently collected in NDRs from these businesses?

We find that gross revenues are approximately £230 million per year in non-domestic rates from these businesses. These results do not factor in NDR discounts, however. 997 businesses have a rateable value below £20,001, meaning that they may be eligible for small business discounts.¹ While over 35% of examined premises fall in this category, they only contribute 2% of total NDR revenues (£4.8 million) (Table 3).

Table 3: Rate poundage bands, number of businesses, and total NDR revenues

| Rateable value | Rate poundage 2023 - 24 (in pence per £1 of rateable value) | Number of businesses | Total current NDR revenues (in £millions) | Proportion of total current NDR revenues ² |
|---------------------|---|----------------------|---|---|
| <20,001 | 49.8 | 997 | 4.8 | 2% |
| £20,001 to £51,000 | 49.8 | 612 | 9.8 | 4% |
| £51,001 to £100,000 | 51.1 | 354 | 12.6 | 5% |
| > £100,000 | 52.4 | 742 | 202.3 | 88% |
| Total | | 2,705 | 229.5 | 100% |

How much additional revenue would be raised?

In the base case of 13p for every £1 of rateable value, the levy would bring in £57 million in additional revenue from this levy, increasing revenue from these businesses by approximately 25%. Changing the levy rate by 1p adds or subtracts around £4.4 million per year. For the 10p case, the levy would bring in £44 million in additional revenue, and the 16p/£1 would bring in £70 million. These levy designs would increase revenues from these businesses by 19% and 31% respectively.

For all levy designs, the majority of revenues (around 86%) would come from supermarkets.³ Note that changes in this levy are linear, so the 1p case shows how the levy will change based on changes in the levy value (Table 4).

Table 4: Modelled revenues per year from levies at 1p, 10p, 13p, and 16p per £1 of rateable value on off-licence premises

| | 1p | 10p | 13p | 16p | Proportion of total revenues | Number of premises |
|--------------------------------|------------|-------------|-------------|-------------|------------------------------|--------------------|
| Supermarket | 3.8 | 37.8 | 49.2 | 60.6 | 86% | 1,197 |
| Filling station | 0.2 | 2.1 | 2.7 | 3.3 | 5% | 520 |
| Shop | 0.2 | 1.9 | 2.5 | 3.1 | 4% | 543 |
| Convenience store | 0.1 | 1.3 | 1.6 | 2.0 | 3% | 429 |
| Distribution centre | 0.1 | 0.9 | 1.2 | 1.4 | 2% | 16 |
| Total revenues per year | 4.4 | 44.0 | 57.2 | 70.4 | 100% | 2705 |

¹ Small business bonus eligibility is based on business rather than premise. It is therefore difficult to determine this through the valuation roll, which provides details on individual premises.

² Proportions do not add to 100 due to rounding.

³ Aldi, Asda, B&M, Co-op, Iceland, Lidl, M&S, Morrison's, Sainsbury's, Tesco, and Waitrose

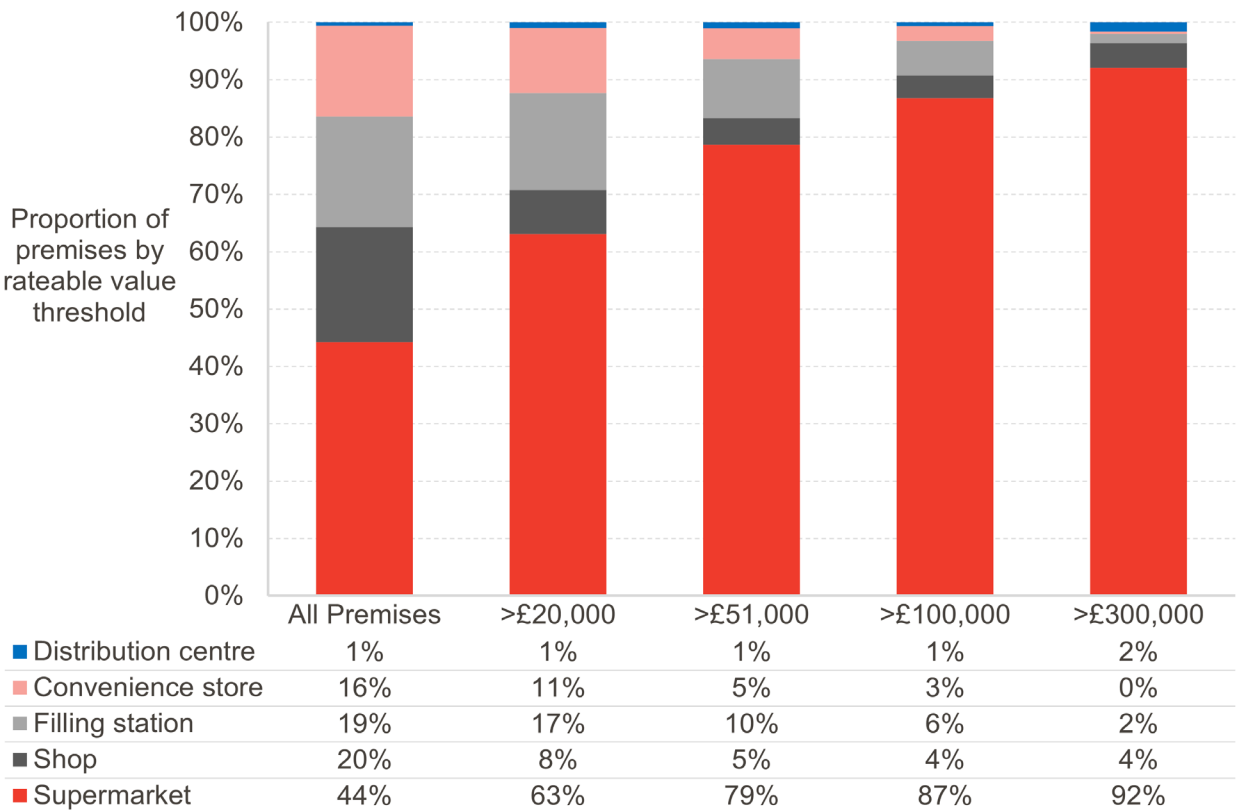
What would be the effect of applying a rateable value threshold?

While the design of this levy affects all businesses, it is useful to examine how the levy impacts premises across different rateable values and the effect of applying different thresholds by rateable value. The previous public health supplement applied a threshold, applying only to premises with a rateable value of over £300,000. Ultimately, it is up to policymakers to determine what an ideal rateable value threshold would be. For the purpose of this report, we have examined revenues from rateable value thresholds at over £20,000, over £50,000, over £100,000 and over £300,000.

Charts 1 and 2 show the number and proportion of each type of examined premises by rateable value threshold. The majority of affected premises are supermarkets.

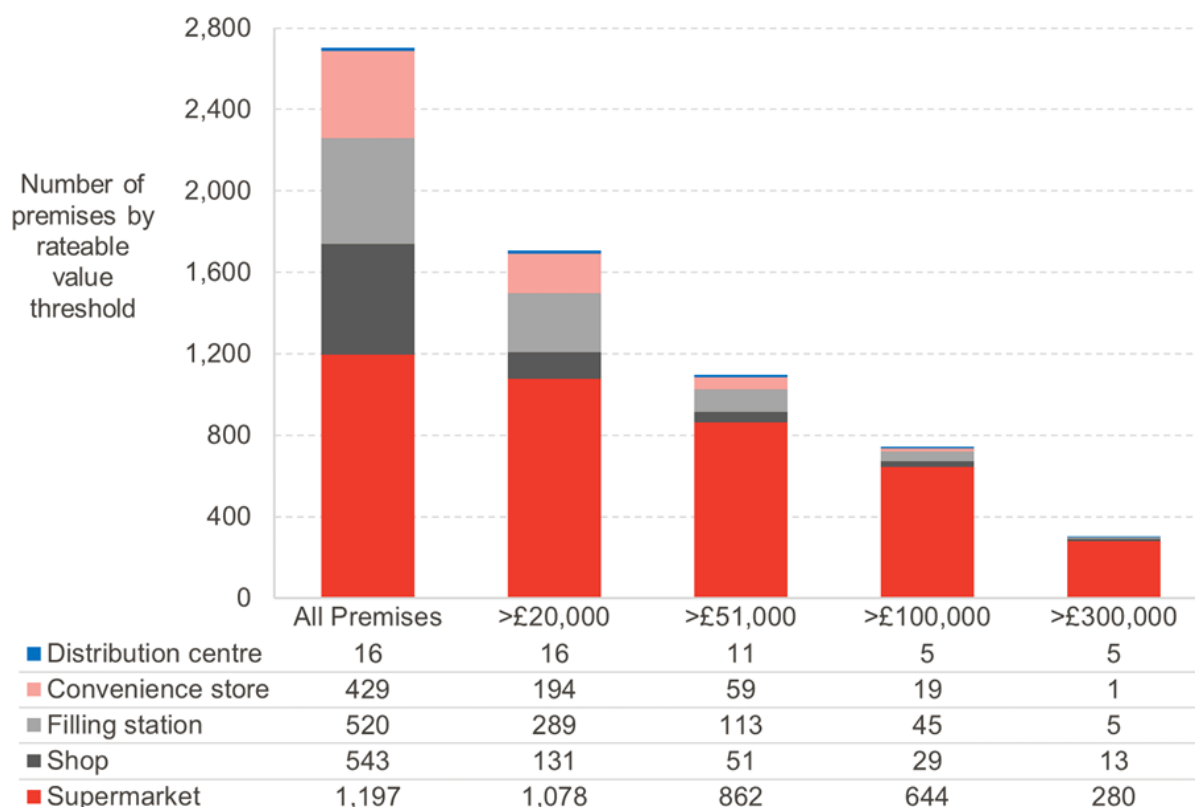
One note is that 40% of all premises examined have a rateable value of £20,000 or less, meaning that they may be eligible for the Small Business Bonus scheme. 30% of all examined businesses have a rateable value of £12,000 or less, meaning that they may not pay any NDRs.⁴

Chart 1: Proportion of examined premises by rateable value threshold and type



⁴ 100% NDR relief is available to ratepayers with only one non-domestic property, for instance.

Chart 2: Number of examined premises by rateable value threshold and type



Using 13p per £1 of rateable value as an illustrative case, the amount of revenue raised would be approximately £57 million per year. This would decrease to £56m if applied to premises with a rateable value of over £20,000, £53.4m for a threshold of over £50,000, £50.2m for a threshold of over £100,000, and £39.5m if the levy were to apply to premises of over £300,000 only. In the case that no threshold is applied, we find that 88% of the revenue from this levy comes from premises with a rateable value of more than £100,000, and 69% of revenues come from premises with a rateable value over £300,000. (Chart 3). A breakdown of total revenues from each levy design and rateable value threshold is provided in Annex 1.

For each levy design, however, the proportion of revenue remains the same. This is because the levy is linear – each additional pence per £1 of rateable value added to or subtracted from the levy results in a £4.4 million change in either direction, impacting each premise type by a linear amount.

The majority of revenues from each threshold comes from supermarkets, which contribute 86% of total revenue in the case of no threshold, and 94% of revenue if a threshold of £300,000 and more is applied (Chart 4).

By local authority, Glasgow and Edinburgh, unsurprisingly, bring in the most from this levy, at £8.3 million and £6.5 million in the 13p case respectively (Annex 2).

Chart 3: Revenue from a 13p/£1 RV levy based on premise type and rateable value threshold (in £millions)

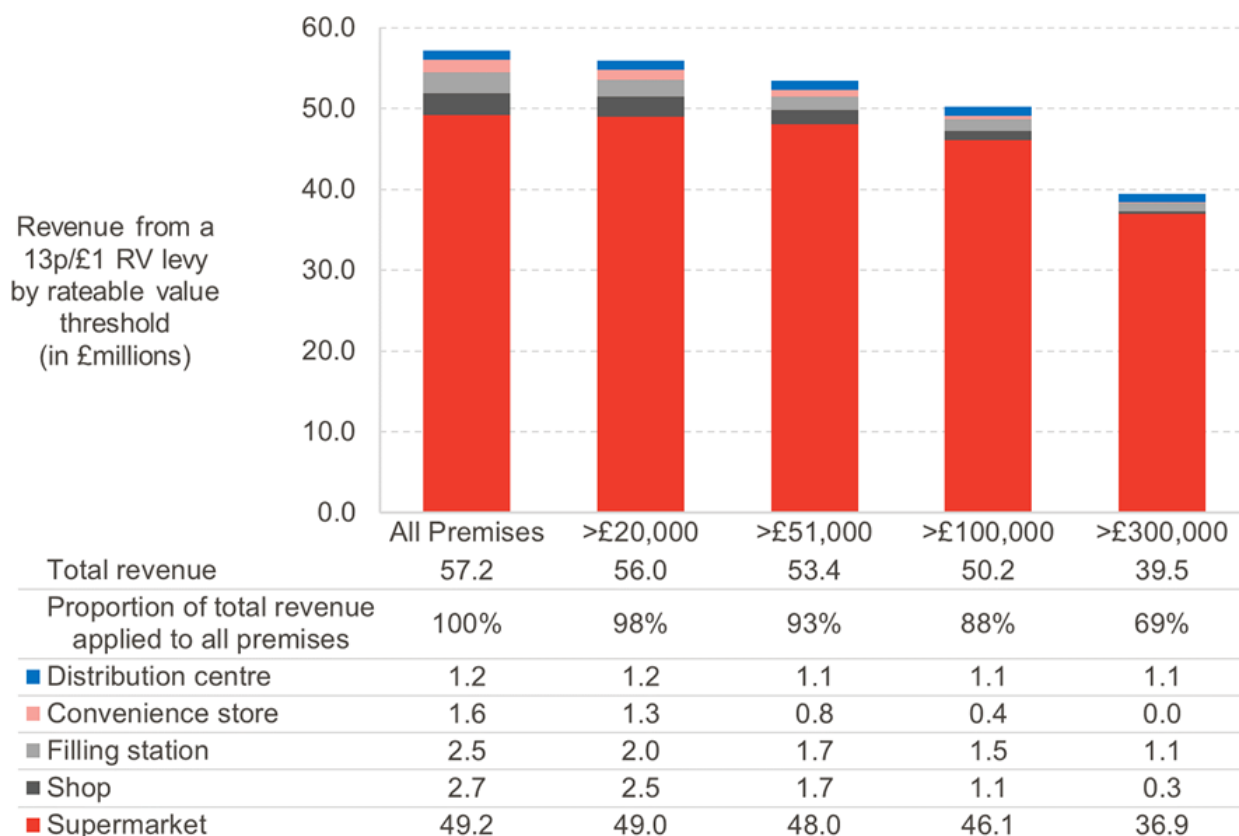
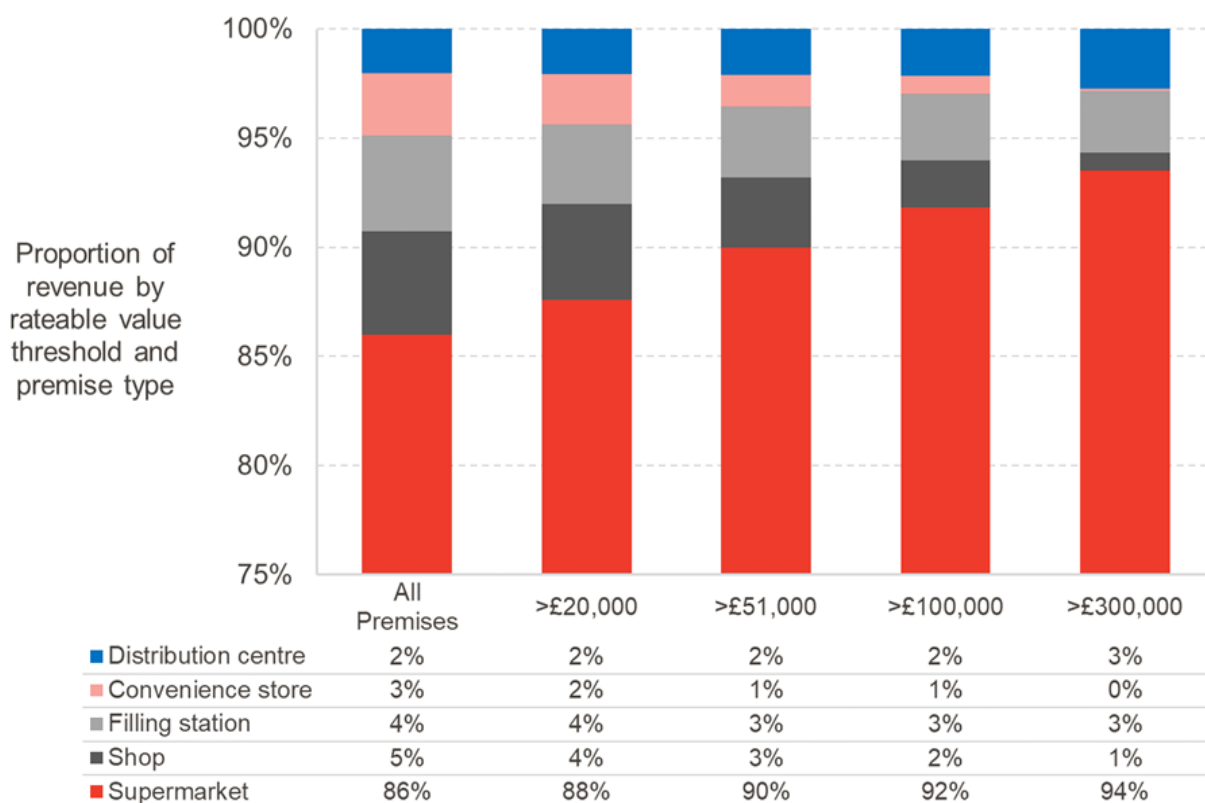


Chart 4: Proportion of total levy revenue by type of premise and rateable value threshold



How much would retailers be affected by this change?

Big national supermarket chains would be the most affected by this policy, with 86% of all revenues coming from supermarkets (see Chart 4). The chains included in this group also represent nearly 1,200, or 44%, of all examined premises (see Table 2) and bring in £49.2 million at the 13p/£RV case (see Chart 3).

Looking at how much retailers might be affected based on size and type of businesses, an average premise with a rateable value between £20,001 and £51,000 would pay an additional £4,181 in non-domestic rates per year at the 13p/£1 RV rate. Currently, these premises pay an average of £16,017 annually in non-domestic rates; this reflects a 26% increase in these payments. An overview of each levy design is provided further in Annex 3.

Table 5: Mean annual payments (£) by type of premises and rateable value, at the 13p/£1 RV case

| | Less than £20,001 | £20,001 to £51,000 | £51,001 to £100,000 | £100,001 to £300,000 | More than £300,000 |
|--|----------------------|-----------------------|------------------------|-------------------------|-----------------------|
| Supermarket | 1,612 | 4,470 | 8,930 | 25,232 | 131,829 |
| Filling station | 1,108 | 4,220 | 9,358 | 18,824 | 64,272 |
| Shop | 1,142 | 3,748 | 9,448 | 25,911 | 85,760 |
| Convenience store | 1,432 | 3,917 | 8,844 | 20,571 | 44,590 |
| Distribution centre | - | 4,372 | 9,165 | - | 216,684 |
| All premises | 1,258 | 4,181 | 9,039 | 24,480 | 129,857 |
| Current average NDR payment | 4,820 | 16,017 | 35,529 | 98,674 | 523,422 |

How does this compare with changes to revenues since the introduction of Minimum Unit Pricing (MUP)?

The introduction of a minimum unit price had a number of different effects on retailers. Units of alcohol previously being sold for lower than MUP had to see their price increase. But for units of alcohol that were already being sold above MUP, there was no change to their price from the introduction of the measure itself.

For units already sold below MUP, however, sales still happening occur at a higher price, and therefore will lead to higher revenues per unit for the retailers than otherwise would have been the case.⁵ For those units whose price has increased, some people will have decided to buy fewer units of those alcohol products than they would otherwise have done, partly offsetting the windfall to retailers.⁶

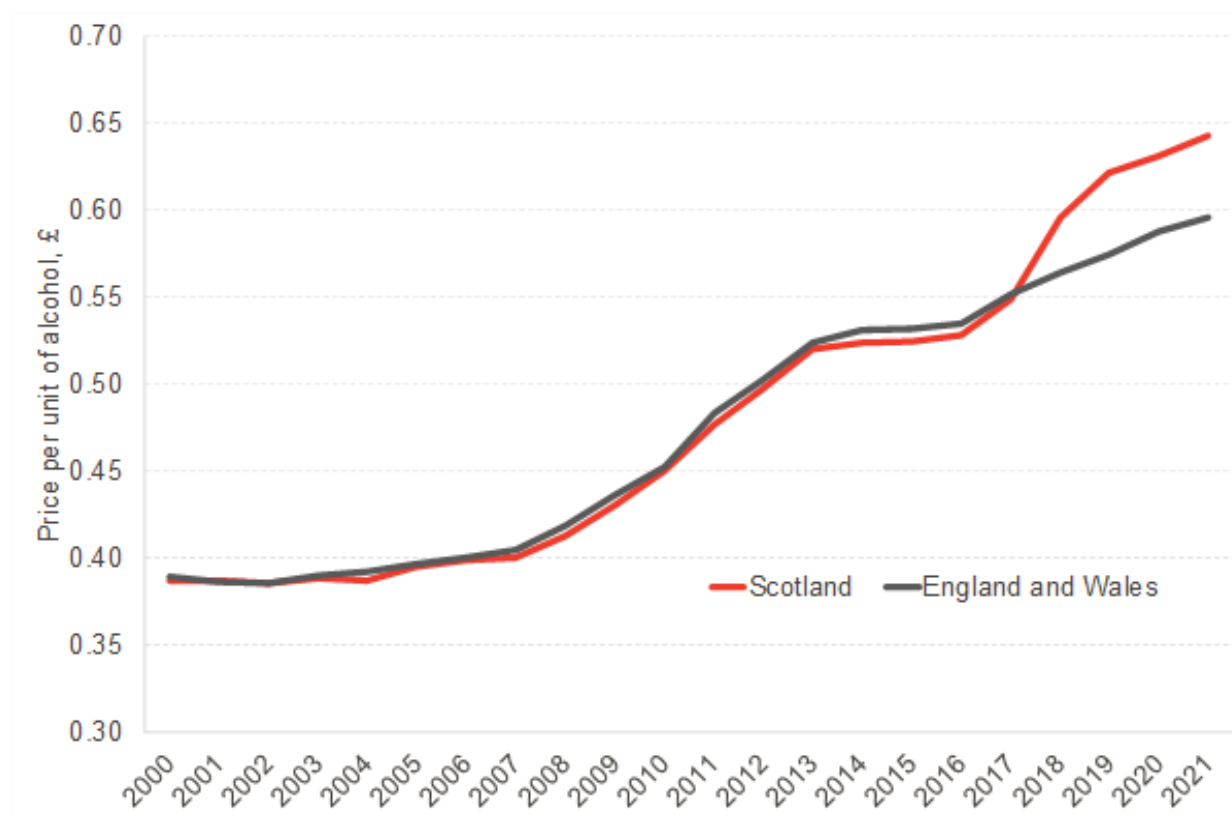
Clearly, it is very hard to disentangle all these effects and to even quantify their net effect. This is further complicated by the fact that there were already well-established trends for the Scottish alcohol market before the introduction of MUP showing that alcohol consumption has declined over time (Scottish Government, 2018).

⁵ A proportion of this additional revenue will be due in VAT in case the retailer is registered for it, but this would only be 16.7% of the total additional revenue.

⁶ Because MUP increased the price at the bottom of the price distribution, it made alcohol products that were already above the MUP level cheaper relative to those directly affected by the measure – that is, the price premium is reduced, and some people might buy those more expensive units of alcohol. This will increase revenues for retailers and will be captured in the estimates of prices per unit we use.

Nevertheless, it is possible to use the changes in prices and quantities in England and Wales over the same time period as a benchmark for what might have happened in Scotland in the absence of the introduction of MUP. Based on data obtained from Public Health Scotland, prices in Scotland prior to 2018 moved in similar ways to those in England and Wales, with the decoupling only happening after the introduction of MUP (Chart 5).

Chart 5: Average unit price of alcohol in the off trade in Scotland and England and Wales



Source: Public Health Scotland, FAI calculations

If we use the England and Wales market as a benchmark, we can make a plausible calculation of what retailers' revenues might have been in the absence of MUP. We do this by assuming that quantities and prices in Scotland in 2018 and 2019 would have followed the same growth rates as in England and Wales, and therefore that the two markets became permanently decoupled after the introduction of MUP in Scotland.

Table 6: Annual growth in average prices per unit of alcohol in the off-trade

| | 2018 | 2019 |
|-------------------|------|------|
| Scotland | 8.5% | 4.4% |
| England and Wales | 2.4% | 1.8% |

Source: Public Health Scotland, FAI calculations

This means that excluding additional VAT due to the higher price, we estimate that retailers will have increased their revenues by an average of £32 million a year across 2018 and 2019, or £39 million in 2024 prices.⁷

It is harder to know what the effect would have been in 2020 and 2021 due to the Covid pandemic. Not only were there differences in severity and length of lockdowns that potentially affected demand and therefore prices, but there was also a rebalancing between the on-trade and off-trade due to pandemic restrictions, which will have had a confounding effect on quantities for retailers.

Our range is similar to the £41 million estimated by Angus et al. (2016) prior to the introduction of MUP, but considerably lower than the estimate of £383 million a year found by Griffith et al. (2022). It is worth noting that our methodology is relatively simple, whereas Griffith et al. use a much more detailed estimation method to calculate the windfall to sellers. Given the level at which the data is available, it is not possible to know how this additional revenue accrued to profits between retailers and producers – this is true for not just our report but was mentioned in Griffith et al. as well.

The figures above look at the 50p MUP that has been in place since 2018. Naturally, a higher MUP of 65p, as was proposed in the Scottish Government’s consultation, would further increase these revenue increases for retailers in cash terms. Angus et al. (2023), using a similar model to the 2016 paper, estimate this would add approximately £17 million in additional off-trade revenues annually.⁸

⁷ Calculated using OBR (2023).

⁸ This is sourced from Angus et al. (2023), based on the 55p estimates in 2019 prices, which roughly correspond to around 65p in 2024 prices. (Calculated using OBR, 2023).

Conclusion

This paper aimed to estimate potential revenue increases based on a different range of designs for a levy on non-domestic rates for alcohol retailers in Scotland.

We found that a levy of 13p for every £1 of rateable value would bring in approximately £57 million per year. With this design, a change of 1p in the levy rate would change revenues by £4.4 million. Examining other levy designs, we find that a 10p levy would raise £44 million per year. A 16p levy would increase revenues by £70 million.

The majority of revenues (88%) come from premises with a rateable value over £100,000. Furthermore, 86% of revenues come from supermarkets.

Comparing with total changes in revenues for retailers since the introduction of MUP, a levy such as this might allow for a portion of the estimated £39 million (in 2024 prices) in additional revenues to flow to local authorities through the NDR system, depending on the level at which it is set. We do not have granular enough data to identify how that additional revenue might have been split into profits between producers and retailers.

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Annex 1: Modelled revenues by rate poundage threshold and premise type

Table 7: Modelled revenues per year by type of business and rate poundage thresholds at a levy of 10p per £1 of rateable value, in £millions

| | All Premises | >£20,000 | >£51,000 | >£100,000 | >£300,000 |
|-------------------------------------|--------------|-------------|-------------|-------------|-------------|
| Supermarket | 37.8 | 37.7 | 37.0 | 35.5 | 28.4 |
| Shop | 2.1 | 1.9 | 1.3 | 0.8 | 0.2 |
| Filling station | 1.9 | 1.6 | 1.3 | 1.2 | 0.9 |
| Convenience store | 1.3 | 1.0 | 0.6 | 0.3 | 0.0 |
| Distribution centre | 0.9 | 0.9 | 0.9 | 0.8 | 0.8 |
| Total revenue | 44.0 | 43.0 | 41.1 | 38.6 | 30.4 |
| Proportion of total revenues | 100% | 98% | 93% | 88% | 69% |

Table 8: Modelled revenues per year by type of premise and poundage rate thresholds at a levy of 13p per £1 of rateable value, in £millions

| | All Premises | >£20,000 | >£51,000 | >£100,000 | >£300,000 |
|-------------------------------------|--------------|-------------|-------------|-------------|-------------|
| Supermarket | 49.2 | 49.0 | 48.0 | 46.1 | 36.9 |
| Shop | 2.7 | 2.5 | 1.7 | 1.1 | 0.3 |
| Filling station | 2.5 | 2.0 | 1.7 | 1.5 | 1.1 |
| Convenience store | 1.6 | 1.3 | 0.8 | 0.4 | 0.0 |
| Distribution centre | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 |
| Total revenue | 57.2 | 56.0 | 53.4 | 50.2 | 39.5 |
| Proportion of total revenues | 100% | 98% | 93% | 88% | 69% |

Table 9: Modelled revenues per year by type of premise and poundage rate thresholds at a levy of 16p per £1 of rateable value, in £millions

| | All Premises | >£20,000 | >£51,000 | >£100,000 | >£300,000 |
|-------------------------------------|--------------|-------------|-------------|-------------|-------------|
| Supermarket | 60.6 | 60.3 | 59.1 | 56.7 | 45.4 |
| Shop | 3.3 | 3.0 | 2.1 | 1.3 | 0.4 |
| Filling station | 3.1 | 2.5 | 2.1 | 1.9 | 1.4 |
| Convenience store | 2.0 | 1.6 | 0.9 | 0.5 | 0.1 |
| Distribution centre | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 |
| Total revenue | 70.4 | 68.9 | 65.7 | 61.8 | 48.6 |
| Proportion of total revenues | 100% | 98% | 93% | 88% | 69% |

Annex 2: Modelled revenue by local authority

Table 10: Modelled revenues per year, per resident, and from premises with a high rateable value by local authority

| Local Authority | Revenues at 10p/1£ RV (in £millions) | Revenues at 13p/1£ RV (in £millions) | Revenues at 16p/£ RV (in £millions) | Change in revenues with a 1p/£ of RV change to the levy (in £millions) | % of earnings from businesses with an RV over 100,000 | Number of premises |
|---------------------|--------------------------------------|--------------------------------------|-------------------------------------|--|---|--------------------|
| Aberdeen City | 2.3 | 3.0 | 3.7 | 0.2 | 88% | 109 |
| Aberdeenshire | 1.7 | 2.2 | 2.7 | 0.2 | 86% | 119 |
| Angus | 0.6 | 0.8 | 1.0 | 0.1 | 86% | 65 |
| Argyll & Bute | 0.6 | 0.8 | 1.0 | 0.1 | 85% | 58 |
| Clackmannanshire | 0.4 | 0.5 | 0.7 | 0.0 | 88% | 23 |
| Dumfries & Galloway | 1.1 | 1.4 | 1.7 | 0.1 | 88% | 74 |
| Dundee City | 1.5 | 1.9 | 2.4 | 0.1 | 88% | 77 |
| East Ayrshire | 0.8 | 1.0 | 1.2 | 0.1 | 89% | 45 |
| East Dunbartonshire | 1.0 | 1.3 | 1.6 | 0.1 | 90% | 42 |
| East Lothian | 0.7 | 0.9 | 1.1 | 0.1 | 86% | 45 |
| East Renfrewshire | 0.6 | 0.8 | 1.0 | 0.1 | 87% | 40 |
| Edinburgh | 5.0 | 6.5 | 8.0 | 0.5 | 86% | 257 |
| Eilean Siar | 0.1 | 0.2 | 0.2 | 0.0 | 60% | 26 |
| Falkirk | 1.1 | 1.4 | 1.8 | 0.1 | 91% | 52 |
| Fife | 2.5 | 3.3 | 4.1 | 0.3 | 87% | 174 |
| Glasgow City | 6.3 | 8.3 | 10.2 | 0.6 | 89% | 338 |
| Highland | 2.1 | 2.8 | 3.4 | 0.2 | 87% | 194 |
| Inverclyde | 0.6 | 0.8 | 1.0 | 0.1 | 91% | 35 |
| Midlothian | 0.8 | 1.0 | 1.3 | 0.1 | 89% | 34 |
| Moray | 0.6 | 0.8 | 1.0 | 0.1 | 80% | 54 |
| North Ayrshire | 0.9 | 1.2 | 1.5 | 0.1 | 88% | 49 |
| North Lanarkshire | 2.0 | 2.6 | 3.2 | 0.2 | 86% | 124 |
| Orkney Islands | 0.1 | 0.1 | 0.1 | 0.0 | 80% | 10 |
| Perth & Kinross | 1.1 | 1.4 | 1.8 | 0.1 | 87% | 108 |
| Renfrewshire | 1.4 | 1.8 | 2.2 | 0.1 | 90% | 71 |
| Scottish Borders | 0.9 | 1.1 | 1.4 | 0.1 | 96% | 41 |
| Shetland Islands | 0.1 | 0.1 | 0.1 | 0.0 | 56% | 59 |
| South Ayrshire | 0.9 | 1.1 | 1.4 | 0.1 | 89% | 48 |
| South Lanarkshire | 2.9 | 3.7 | 4.6 | 0.3 | 91% | 152 |
| Stirling | 0.8 | 1.0 | 1.3 | 0.1 | 85% | 51 |
| West Dunbartonshire | 0.6 | 0.8 | 1.0 | 0.1 | 82% | 47 |
| West Lothian | 1.9 | 2.4 | 3.0 | 0.2 | 89% | 84 |
| Total | 44.0 | 57.2 | 70.4 | 4.4 | 88% | 2705 |

Annex 3: Mean annual NDR payments by premise type and rateable value band

Table 11: Mean annual NDR payments (£) by type of premises and rateable value, at the 10p case

| | Less than £20,001 | £20,001 to £51,000 | £51,001 to £100,000 | £100,001 to £300,000 | More than £300,000 |
|------------------------------------|----------------------|-----------------------|------------------------|-------------------------|-----------------------|
| Supermarket | 1,240 | 3,439 | 6,869 | 19,409 | 101,407 |
| Filling station | 852 | 3,246 | 7,198 | 14,480 | 49,440 |
| Shop | 878 | 2,883 | 7,268 | 19,931 | 65,969 |
| Convenience store | 1,101 | 3,013 | 6,803 | 15,824 | 34,300 |
| Distribution centre | - | 3,363 | 7,050 | - | 166,680 |
| All premises | 968 | 3,216 | 6,953 | 18,831 | 99,890 |
| Current average NDR payment | 4,820 | 16,017 | 35,529 | 98,674 | 523,422 |
| NDR payment increase | 20% | 20% | 20% | 19% | 19% |

Table 12: Mean annual NDR payments (£) by type of premises and rateable value, at the 13p case

| | Less than £20,001 | £20,001 to £51,000 | £51,001 to £100,000 | £100,001 to £300,000 | More than £300,000 |
|------------------------------------|----------------------|-----------------------|------------------------|-------------------------|-----------------------|
| Supermarket | 1,612 | 4,470 | 8,930 | 25,232 | 131,829 |
| Filling station | 1,108 | 4,220 | 9,358 | 18,824 | 64,272 |
| Shop | 1,142 | 3,748 | 9,448 | 25,911 | 85,760 |
| Convenience store | 1,432 | 3,917 | 8,844 | 20,571 | 44,590 |
| Distribution centre | - | 4,372 | 9,165 | - | 216,684 |
| All premises | 1,258 | 4,181 | 9,039 | 24,480 | 129,857 |
| Current average NDR payment | 4,820 | 16,017 | 35,529 | 98,674 | 523,422 |
| NDR payment increase | 26% | 26% | 25% | 25% | 25% |

Table 13: Mean annual NDR payments (£) by type of premises and rateable value, at the 16p case

| | Less than £20,001 | £20,001 to £51,000 | £51,001 to £100,000 | £100,001 to £300,000 | More than £300,000 |
|------------------------------------|----------------------|-----------------------|------------------------|-------------------------|-----------------------|
| Supermarket | 1,983 | 5,502 | 10,991 | 31,055 | 162,251 |
| Filling station | 1,363 | 5,194 | 11,517 | 23,168 | 79,104 |
| Shop | 1,405 | 4,613 | 11,628 | 31,890 | 105,551 |
| Convenience store | 1,762 | 4,821 | 10,885 | 25,318 | 54,880 |
| Distribution centre | - | 5,381 | 11,280 | - | 266,688 |
| All premises | 1,549 | 5,146 | 11,124 | 30,129 | 159,823 |
| Current average NDR payment | 4,820 | 16,017 | 35,529 | 98,674 | 523,422 |
| NDR payment increase | 32% | 32% | 31% | 31% | 31% |

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