

## Discussion Paper - Minimum Price Per Unit of Alcohol

### 1 Purpose of Paper

The Safer Stockton Partnership is asked to consider the content of this paper and, following discussion, give a view as to whether a Minimum Price Per Unit of Alcohol is a policy that the Partnership would support either nationally or locally.

To aid discussion it would be beneficial for partners to consider the following questions:

- Does your organisation currently have a stance on minimum pricing?
- Are there any issues not addressed in this paper that need to be considered?
- Where else does consultation discussion need to take place?

### 2 Background

Policy debates are currently on-going regarding local and national approaches to addressing alcohol harm. The business plan of [HM Treasury confirms that a review of “alcohol taxation to tackle problem drinking” will be complete by March 2011 in time for the Budget on Wednesday 23<sup>rd</sup> March. Additionally, there is ongoing work within the Home Office, due to be completed by April 2011, on below cost selling and licensing.](#)

A range of organisations have stated support for a minimum price, including the British Medical Association, the Royal College of Physicians and the National Institute for Health and Clinical Excellence

In case a national approach to Minimum Pricing does not occur, Manchester authorities have been reviewing the possibility of introducing a bye-law to implement a minimum price per unit of alcohol and, more locally, Hartlepool has scheduled a motion to its full Council to introduce such a bye-law. The Mayor of Middlesbrough has stated his support for Minimum Pricing.

### 3 The problem with alcohol

Alcohol consumption has more than doubled in the last 40 years. In the North East, almost one third of men and a quarter of women admit to drinking over the Government’s recommended limits. As consumption increase, so does alcohol-related harm:

- Alcohol-related hospital admissions have increased by 116 per cent since 2002/3, with the North East having the highest rate in England
- 46 per cent of all violent crime is alcohol-related
- The number of deaths from alcoholic liver disease rose by almost a third between 2004 and 2008, with liver specialists reporting seeing younger people than ever before
- Alcohol-related issues cost the North East economy around £1.3 billion a year in costs to the NHS, alcohol-related crime and disorder and impact on the economy

#### 4 The picture in Stockton

In terms of consumption, Stockton is fairly typical of the North East as a whole. Almost nine out of ten drink alcohol, with most of it purchased from supermarkets and consumed at home. Some 22 per cent of Stockton residents admit to drinking to get drunk and around one-third have been in a risky situation because of alcohol, figures which are higher amongst the young.

The latest Local Alcohol Profiles for England present a mixed picture for Stockton. As in the rest of the region, alcohol-related crime and disorder appears to be falling. In terms of the health of residents, the picture splits along gender lines. For example, alcohol-specific mortality amongst females fell by 4 per cent, while it increased amongst males by 9 per cent. Alcohol-related hospital admissions – the NI 39 indicator against which the Government holds localities to account – increased by 13 per cent, one of the highest increases in the region.

#### 5 The link between price and consumption

While there is some indication via HMRC data that alcohol sales have fallen slightly in recent years, it does little to address the overall rise in consumption which is estimated to have doubled in the last 40 years.

Figure 1 below illustrates the direct link between the cost of alcohol relative to income and the consumption per person expressed in units. It is no coincidence that alcohol harm has increased when you consider alcohol is 70 per cent more affordable than it was in 1980, with that affordability driven by off licence sales, especially in supermarkets.

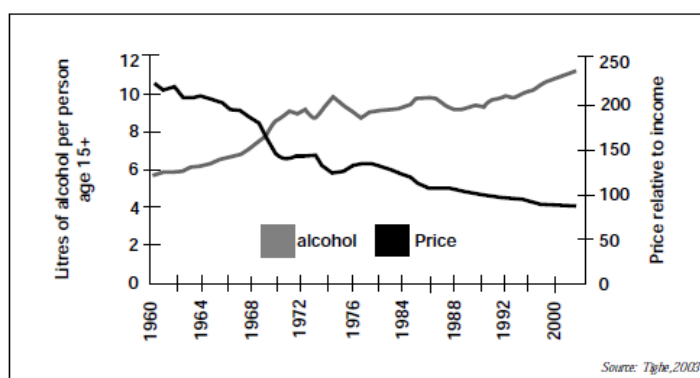


Figure 1. Price of Alcohol and consumption  
Academy of Medical Sciences. Calling time. The nation's drinking as a major health issue.  
London: Academy of Medical Sciences, 2004.

#### 6 Is a minimum price the answer?

There is no one simple answer to the problems caused by alcohol. The World Health Organisation in its new global strategy recommends that a package of measures is required to address alcohol harm, including educating individuals and regulating availability. A key part of that package is affordability and price. The previous Government commissioned research from Sheffield University which calculated that the introduction of a minimum price of 50p per unit would:

- Reduce the number of deaths from alcohol-related causes by more than a quarter
- Reduce the number of crimes by 46,000
- Reduce hospital admissions by almost 100,000
- Save the country an estimated £1 billion a year

Balance is currently carrying out work on how these figures might translate at a local level.

### **7 A targeted measure?**

Most policy options affect moderate drinkers in a minor way, simply because they consume only a small amount of alcohol and also because they do not tend to buy as much of the cheap alcohol that is targeted by minimum pricing and off-trade discount bans. Harmful drinkers buy more alcohol and also tend to choose cheap alcohol; therefore they would be most affected.

If a 40p minimum price together with a total off-trade discount ban were introduced:

- Moderate drinkers would be estimated to spend on average about 21p extra per week (around 30p for a 50p unit price)
- Hazardous drinkers would be estimated to spend on average about 112p extra per week
- Harmful drinkers would be estimated to spend on average about 263p extra per week

Research carried out by the University of Aberdeen looking at the impact of a minimum price on lower income groups discovered the following:

- all income groups purchase low price off sales alcohol
- the relationship between income group and the amount of alcohol purchased at the cheapest price (below 30p a unit) is not particularly strong although the lower income groups do purchase more than the highest income groups
- at prices of 30p to 40p and 40p to 50p the amount purchased tends to increase with income
- middle-to-higher income groups are the main purchasers of alcohol priced between 30p and 50p
- for individual alcohol types (beer, lager, table wine and spirits), the lowest income groups purchase less than the average number of units below 30p and below 40p
- low income households are less likely to purchase off sales alcohol at all

The key to minimum price is that it reduces consumption amongst heavier drinkers. We know that heavier drinkers from lower income groups tend to suffer the greatest health harm and therefore have the most to benefit from preventing alcohol being sold at pocket money prices

### **8 What about our pubs and clubs?**

As the figure below illustrates, the price of drinks in pubs and clubs would remain largely unaffected by the introduction of a minimum price per unit set at 50p, the level suggested by the previous Chief Medical Officer.



In fact, it could be argued that closing the price differential between on and off-licence premises would reverse the trend towards home drinking and pre-loading, thus protecting pubs and clubs.

A recent survey of 244 landlords across the North East carried out by Balance revealed:

- 56% experienced a decline in business last year
- 72% saw customers coming in later – pre-loading (drinking before going on a night out)
- 88% believe supermarket price promotions hit their trade
- 51% have cut their prices to compete
- 72% would welcome legislation to address cheap supermarket prices
- 81% would support the introduction of a minimum price in the North East

What's more, organizations such as CAMRA, the British Institute of Innkeeping and The Publican trade magazine have all come out in favour of minimum price.

## 9 The Government's response

The Government remains keen to address the issue of below cost sales and consulted on the issue during the summer. Indications are that they will not recommend the introduction of a minimum price per unit but instead look at some other mechanism. In reality, very little alcohol is sold below cost price and it is highly unlikely that the mechanism chosen will increase the price to anywhere near the 50p per unit recommended by the previous Chief Medical Officer. As a result, it is likely to have little or no impact on sales or consumption and therefore harm. However, the Government has indicated that, as part of its localism agenda, it is open to the introduction of a minimum price through local by-laws.

## 10 Likely impact of minimum pricing in terms of smuggling/illicit sales

There has been no research conducted into this, although Northumbria University is attempting to secure funds to pursue such research. However, HMRC state it is already a substantial problem in the region. It is suggested that up to 80% of product in some small off-licences is likely to be illegal in some way and HMRC state that large quantities of legitimate product avoid duty through being 'exported' to the continent when in fact it never leaves the country. Also that if a small off licence is promoting offers such as three

bottles of wine for £10, then that is likely to be illegal product. More alcohol is being picked up as part of Fresh's counterfeit campaign than tobacco.

### **11 Is there any evidence of increased offending by chronic drinkers?**

Again, there has been no formal assessment of this. However, there are currently very high levels of alcohol-related crime (46% of arrests in the Cleveland force are alcohol-related). It is suggested that any offending linked to the introduction of a minimum price would be offset by a reduction in current levels of alcohol-related crime.

### **12 Summary**

Members are asked to debate the issues contained within this paper and highlight any additional issues that may need to be addressed.

Members are asked to state whether they would support the following:

- A) A national policy regarding a Minimum Price Per Unit of Alcohol?
- B) In the absence of national policy being forthcoming, would members support the Local Authority in pursuing, in conjunction with boundary Local Authorities, the introduction of a bye-law relating to Minimum Pricing?