Alcohol (Minimum Pricing) (Scotland) Bill

East Renfrewshire Alcohol and Drug Partnership

1. Introduction

The East Renfrewshire Alcohol and Drug Partnership welcomes the opportunity to respond to the call for written evidence on the alcohol (minimum pricing) (Scotland) Bill. The Alcohol and Drug Partnership fully supports the introduction of the alcohol minimum pricing bill and concur that a minimum price should be set according to the strength of the alcohol, the volume of the alcohol and the minimum price per unit.

It is clear that current consumption patterns of alcohol are significantly damaging the health of the Scottish population and pose a significant threat to the future well being of the nation. It is well established that alcohol can cause serious harm to health and well being 1. International research clearly shows that the average consumption of alcohol in a population is directly linked to the amount of harm 2 – the more we consume, the greater the risk of harm 3, 4. As overall consumption has increased in Scotland over recent decades so have the resultant harms. Alcohol is a contributory factor in fifty different causes of illness and death ranging from stomach cancer and strokes to assaults and road deaths 5. Alcohol-related hospital discharges have more than quadrupled since the early 1980s while mortality has doubled 6. The harms are not just limited to health and not just experienced solely by the individual – damage can occur to family and friends, communities, employers, and Scotland as a whole. It is estimated that around 65,000 Scottish children may be affected by parental alcohol misuse 7. Alcohol misuse in Scotland costs an estimated £3.56 billion each year, £900 for every adult; this includes £866 million in lost productivity, a cost of £269 million to the NHS and £727 million in crime costs 8.

2. Advantages of Establishing a Minimum Alcohol Sales Price Based on a Unit of Alcohol

There is an extensive and robust evidence base that clearly demonstrates that increasing the price of alcohol decreases alcohol consumption and alcohol-related harms 9,10,11,12,13. The economic modelling completed by the School of Health and Related Research (ScHARR) at the University of Sheffield demonstrates that increases in the minimum unit price of alcohol would reduce hazardous and harmful alcohol consumption, alcohol dependence and harm. Furthermore a reduction in overall consumption can be expected to have a positive effect in the whole population in addition to reducing harm in high risk groups. Cheaper alcohol tends to be bought more by harmful drinkers than moderate drinkers, and is shown to be attractive to young people under the legal age. A minimum price policy is beneficial in that it targets the drinkers causing the most harm to both themselves and society whilst having little effect on the spending of adult moderate drinkers.
The level of alcohol-related damage in deprived communities is substantial. In addition to high rates of alcohol-related mortality, people living in the most deprived areas in Scotland are 7.5 times more likely to be hospitalised for an alcohol-related condition. 14

Minimum pricing for alcohol can have a potentially greater protective effect against alcohol-related harm for people in low income households. Research from Finland shows the potential of higher alcohol prices to protect the most disadvantaged members of society against alcohol-related problems15. Further analysis on the impact of price increases in alcohol on households in the lowest income decile notes that minimum pricing could have a larger effect in reducing both consumption and expenditure16.

Traditionally, taxation has been the favoured pricing policy lever used by governments to control the price of alcohol. The World Health Organisation (WHO) 17; the UK Health Select Committee 18; the four Chief Medical Officers of the UK; and the National Institute for Clinical Excellence (NICE) 19 have all advocated the introduction of minimum unit pricing. Utilising taxation as a price lever has not been successful in the past, tax increases can be offset by retailers by cross subsidising against the price of other products 3.

The results of the (ScHARR) modelling clearly show that as the minimum price threshold increases more deaths are avoided, hospital admissions fall, the number of crimes reduce, absenteeism from work reduces, unemployment due to alcohol problems reduces, the financial value of harm reductions increases, healthcare costs reduce, crime costs reduce.

The decreased quantity of alcohol sold will impact on the alcohol industry but this effect will be offset by the increased price of cheaper alcohol brands. Alcohol products sold at higher than the minimum price are unlikely to be affected, so the greatest effect is likely to be experienced in the off sales market. Premium brands and on-sales products are unlikely to be affected.

Further the introduction of minimum pricing has the potential to show benefits within a very short time. As an example the ScHAAR study estimates that a minimum price of 45p per unit would reduce deaths by 50 in the first year of implementation and upon achieving full impact would save approximately 225 lives per year. At a minimum price of 50p per year, this figures increases to 520 lives per year.1

3. Disadvantages of Establishing a Minimum Alcohol Sales Price Based on a Unit of Alcohol

Excessive alcohol consumption is now one of the biggest public health challenges facing Scotland. The Bill provides an opportunity to put in place a policy measure that many leading health organisations including the World Health Organisation, the National Institute for Health and Clinical Excellence and the Medical Royal Colleges believe will be effective in saving lives and reducing harm. We are of the view that there are no disadvantages for the
health and wellbeing of the people of Scotland from the introduction of this measure.

4. The level at which such a proposed Minimum Price should be set and the justification for that level

As detailed in the ScHAAR report minimum pricing is estimated to lead to reductions in health, crime and employment harms. The higher the minimum price per unit, the greater estimated reduction in alcohol related harms. The greatest benefits accrued from minimum pricing are seen amongst hazardous and harmful drinkers 14. The ScHAAR work modelled 21 separate senarios, including minimum pricing on its own and minimum pricing together with an off-trade discount ban. It is notable that when minimum pricing is modelled with an off-trade discount ban the main effect below a price of 40 pence is mainly due to a total discount ban. At higher minimum price thresholds, the marginal increased effectiveness of an off-trade discount ban is reduced. Low minimum price thresholds will have little impact at reducing harmful outcomes. We strongly support the principle of minimum pricing, set at a level that would have a significant impact on reducing consumption and therefore minimising harm. As noted in the table below the ScHAAR research clearly indicates increasing the levels of minimum pricing show steep increases in effectiveness and impact on consumption.

Minimum Unit Price % change in consumption

<table>
<thead>
<tr>
<th>Minimum Price (only)</th>
<th>Minimum Unit Price plus Discount Ban</th>
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<tbody>
<tr>
<td>25p</td>
<td>-0.1%</td>
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<tr>
<td>30p</td>
<td>-0.3%</td>
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<tr>
<td>35p</td>
<td>-1.0%</td>
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<tr>
<td>40p</td>
<td>-2.3%</td>
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<tr>
<td>45p</td>
<td>-4.3%</td>
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<tr>
<td>50p</td>
<td>-6.7%</td>
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<tr>
<td>55p</td>
<td>-9.5%</td>
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<tr>
<td>60p</td>
<td>-12.3%</td>
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<td>65p</td>
<td>-15.3%</td>
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<td>70p</td>
<td>-18.4%</td>
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<td>-3.2%</td>
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<td>-3.4%</td>
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<td>-4.0%</td>
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<td>-5.1%</td>
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<td>-6.7%</td>
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<td>-8.7%</td>
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<td>-13.7%</td>
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<td>-16.5%</td>
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<td></td>
<td>-19.5%</td>
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Setting the minimum price (only) at 40 pence per unit has a small effect on consumption (-2.3 per cent), while at 50 pence and 60 pence, this will effect a change in consumption of -6.7 per cent and 12.3 per cent respectively. The impact of setting a minimum price in conjunction with an off-trade discount ban on consumption is detailed; this shows that a minimum price of 40 pence would reduce consumption by 5.1 per cent rising to 8.7% and 13.7 per cent for a minimum price of 50 and 60 pence respectively.

With the reduced consumption, the researchers modelled changes in indicators such as hospital admissions, alcohol related crimes, work absenteeism and chronic disease resulting from alcohol. As the minimum
price threshold increases, alcohol-related hospital admissions and deaths, crime and employment harms are reduced.

For example at 40p, 50p and 60p the threshold is estimated to reduce annual admissions by 2,200, 6,500 and 12,000 respectively based on full year effect and minimum price only. As the minimum price threshold increases, alcohol-related crimes are estimated to reduce; for example a 40p, 50p and 60p threshold will reduce offences by 1,400, 4,000 and 7,400 respectively. As the minimum price threshold increases, absenteeism from work is estimated to reduce; a minimum price of 40p, 50 and 60p is estimated to reduce days absent from work by approximately 11,800, 36,900 and 70,500 per annum respectively. As the minimum price threshold increases, unemployment due to alcohol problems are estimated to reduce for a 40p, 50p and 60p threshold, 700, 1,700 and 2,700 avoided cases of unemployment are estimated per annum respectively. The effects in relation to the impact on health, crime and workplace outcomes are increased when estimating the effect of both minimum price and a total off trade discount ban.

Consumer spending is estimated to increase under all policies and retailer revenue from the sale of alcoholic beverages is estimated to increase under all policies: the model predicts increases in both off-trade and on-trade sectors (excluding duty and VAT).

As the minimum price threshold increases, the financial value of harm reductions increases; for example the overall cumulative discounted financial value of harm reduction over ten years is estimated at £721m for a 45p minimum price and £1,103 at a level of 50p. Including discount ban policy; this valuation nearly doubles for a 50p threshold (£1.4bn). The valuation continues to increase steeply as the threshold is incremented.

As the minimum price threshold increases, crime costs are reduced (both for minimum price only and including a discount ban); for example, direct costs of crime reduce by approximately £18m over ten years for a 45p minimum price compared to £29m and £53m for a 50p and 60p threshold respectively. Similarly the value of the loss of victim quality of life changes from around £13m, £21m to £39m at a 45p, 50p and 60p threshold respectively.

Those who buy the most alcohol are the most affected in both absolute and relative terms. For all minimum price scenarios, with or without the presence of an off-trade discount ban, the majority of the health and healthcare benefits come from the harmful drinking group.

To conclude we believe the minimum price should be set at a level that would have a significant impact on reducing consumption and therefore minimising harm. This should be based on the best available evidence and would need to be informed by the updated modelling work currently being conducted by the University of Sheffield. Previous estimates as detailed by ScHAAR have suggested that at a base of 45p there are positive impacts to health and wellbeing. However, as noted the gains rise substantially as the minimum price threshold increases. We would advocate based on the current evidence
that a higher minimum price of 60 to 70 pence is justified to significantly reduce alcohol consumption and related harm in Scotland. Furthermore the legislation needs to be underpinned by a provision to enable the Scottish Government to vary the minimum unit price as required to allow consideration of the impact in relation to changes in consumption or levels of harm.

Safaa Baxter
Chair East Renfrewshire Alcohol and Drug Partnership
Chief Social Work Officer (Head of Children’s Services, Addiction & Criminal Justice), East Renfrewshire Community Health and Care Partnership

References

19. Alcohol-use disorders: preventing the development of hazardous and harmful drinking, NICE (draft guidance), 2009.
20. http://www.scottish.parliament.uk/s3/committees/hs/or-10/he10-0902.htm#Col2945