Alcohol (Minimum Pricing) (Scotland) Bill

Royal College of Psychiatrists in Scotland

The Royal College of Psychiatrists is the leading medical authority on mental health in the United Kingdom and is the professional and educational organisation for doctors specialising in psychiatry.

The College is pleased to provide the following written response and would be grateful for the opportunity to send expert witnesses to the Committee when oral evidence is being heard.

General comments

Alcohol has a substantial effect on mental health in Scotland, through the direct effects of alcohol on mood, judgement, behaviour and functioning of consumers and the indirect effects on the health and well being of partners, children, other relatives and the wider community. Much of the work of our members is with the heaviest drinkers, including those with alcohol dependence and minimum pricing has the potential to have a significant beneficial effect on the drinking of that group. In addition to those of our members working in Addiction Psychiatry, psychiatrists working in General Hospitals see the impact of alcohol across in Accident & Emergency and all medical and surgical specialities. These liaison psychiatrists see the major impact of cheap alcohol as falling on young drinkers and those with (or at risk of) alcohol-related brain damage, and support minimum unit price because of its likely beneficial effects in these groups. Child and Adolescent Psychiatrists in Scotland support minimum price because of alcohol’s role in domestic violence and child abuse and they are confident that minimum price will have a beneficial effect on children’s mental health. There is a clear wish among our membership and our service users and carers that additional funds generated through price controls should be invested in services.

The advantages and disadvantages of establishing a minimum alcohol sales price based on a unit of alcohol

- There is considerable evidence on the relationship between price and harm and has been over many years. There has been increasing sophistication of this field of work and more recent studies have shown that the price of the cheapest form of alcohol, the floor price, is of particular importance (Gruenewald 2006). Changing the price of more expensive forms of alcohol has less effect on alcohol related harm.
- Minimum alcohol pricing is a mechanism which affects the floor price of alcohol and is thus targeted at the retail practices which are most likely to result in harm and this is the reason why the Royal College of Psychiatrists continues to support minimum pricing as the most effective measure in the current Scottish context.
- The heaviest drinkers have been shown to be price sensitive, though studies looking at the impact of taxation changes (Wagenaar 2009) have shown the consumption of heavy drinkers are less price sensitive
than others to these “across the board” price changes. This is likely to be explained by the substitution practice where heavy drinkers moved to cheaper brands. Minimum pricing is an effective way of preventing this “trading down.”

- The influence of price on the beverage choices of those in contact with alcohol services was shown by the recent survey undertaken in Edinburgh by Black, Gill and Chick where 70% of the units of alcohol consumed were under 40p and 83% under 50p.
- This is consistent with our own members' observations in clinical practice where the popularity of super lagers in the 1990s was supplanted by white cider and vodka by the millennium as these drinks became cheapest.
- In summary, therefore, we believe that minimum pricing will have a considerable benefit on reducing the harm which comes from the consumption of the cheapest forms of alcohol. The University of Sheffield estimated that 64% of alcohol below 50p is consumed by those drinking more than 50 units (35 for women) per week. Only 9% of cheap alcohol is consumed by moderate drinkers.
- This mechanism thus has particular potential to reduce the consumption levels of the heaviest drinkers whose consumption leads to the greatest harm.

Since Parliament last discussed alcohol pricing, there has been important work tracking alcohol affordability trends undertaken by NHS Health Scotland, described in their publication Monitoring and Evaluating Scotland’s Alcohol Strategy. This work shows that the rapid increase in alcohol affordability in the 1980's has stabilized since 2008 and perhaps earlier, depending on the methodology used. This is consistent with changes observed by our patients. In July 2010, a bottle of supermarket own brand vodka cost £7.97. In November 2011, the same brand was £8.72. At 33p per unit, this is still low cost alcohol, but the 10% increase in price is substantial. Recent trends in Scotland fit with a model of affordability as a key factor in rates of alcohol related harm. Alcohol related admissions have fallen by 10-15% since 2008 and alcohol related deaths in men are falling. Liver disease and alcohol related death rates have fallen since 2005. It has been particularly welcome to see the fall in alcohol deaths between 2005 and 2009 in the most economically deprived group. However, the recent changes in affordability have been due in part to economic recession and to decisions made by retailers. It is not clear why retailers have decided to increase prices and they could reduce prices at any time. This situation, where decisions which have such a substantial impact on public health are made by organizations answerable only to their shareholders, is not a sustainable long term solution and external regulation by Government is required.

The College believes that recent developments in the UK Government have further supported the need for action in Scotland. Our colleagues in Wales and Northern Ireland have come to similar conclusions for their Governments.

The College welcomed the continued rise in excise duties since 2008 and this has likely contributed to reduced affordability and reduced harm. We also
welcomed the proposals to reduce the tax on low strength beers and increase tax on high strength beers. These measures are compatible with minimum unit price.

However, the UK Government’s formula to tackle the “floor price” of alcohol, a ban on below cost selling, is likely to be ineffective as it will not change the price of any product currently on sale in Scotland. It was disappointing that the UK government has not found a way to tackle the issue of low cost ciders. The College understands that this is a complex issue involving EU regulations which lead to favorable duty rates on high strength ciders. We therefore see minimum unit pricing as the best way to effectively tackle the problem of low cost white ciders.

We see few disadvantages, but will comment on some of the objections which we anticipate

Increased use of other drugs
Some have claimed that less cheap alcohol will lead to increased use of other drugs. On the contrary, the strongest evidence is that alcohol acts as a gateway drug for other drug use, including tobacco. The only evidence for substitution was in the limited setting of night clubs where the increased availability of ecstasy and amphetamine in the 1990s led to less alcohol use within the club. In other more common drinking settings, the use of alcohol and other drugs go together and so reduced alcohol consumption is likely to lead to less other drug use.

Increased expenditure on alcohol by low income families
There have been arguments that increasing the price of low cost alcohol will lead to less expenditure on other items such as food and children’s clothing and this will be detrimental to family health and welfare. We do not accept this. It is likely that those families where there is substantial expenditure on low cost alcohol will already be experiencing alcohol related harm. This includes the considerable harm to children from adult drinking. Minimum price is likely to have the effect of reducing alcohol consumption which will in turn reduce harm to the individual and affected others in the family.

Cross border alcohol trade
The important question is whether the level of any increased importation of alcohol due to cross border flow will be greater than a reduction brought about by minimum pricing. We believe the answer is no and international evidence supports this (Herttua 2008). Commentators who cite the example of the Irish border as an argument against differential pricing between Scotland and England neglect the crucial issue of currency exchange rates which are likely to be the main driver of consumer behaviour. We note that Scottish Police forces support minimum pricing and believe that the benefits of this will outweigh the effect of cross border trade.

Overseas Markets and the Whisky Industry
Arguments that minimum pricing in Scotland will disadvantage Scottish products overseas are unconvincing. International trade agreements which
regulate the operation of markets will prevent this. The narrowing of the price gap between cheap and quality spirits will be beneficial to the Scotch Whisky industry which has been steadily losing market share to vodka in Scotland over recent years.

The level at which such a proposed minimum price should be set and the justification for that level

- The approach should be to establish the principle of minimum pricing, set an initial price and monitor closely the impact of this and adjust the price accordingly. This monitoring is essential and requires prompt and good quality data.
- There should be a requirement on the retail sector to share the information they have on sales patterns in the interests of public health.
- With regard to the setting of the initial minimum price, this should be high enough to be effective in reducing harm and should have a noticeable impact for all income groups. As noted above, the alcohol market can change rapidly and this affects the impact of a particular unit price. We await the findings of new econometric studies but the College’s best advice at present is that a price of 50-60p per unit should be the starting point, but an effective monitoring system and a simple implementation process where the price is adjusted is the most important issue.
- Experience in Canada and Australia suggests that the price should be reviewed at least annually and preferably twice per year. The alcohol retailers change prices frequently and so this should not present an undue administrative burden.

Any other aspects of the Bill

- In view of the impact of employment on health, in particular mental health, the RCPsych in Scotland has an interest in employment in the alcohol and hospitality industry. Trends in the alcohol market in Scotland with increasing off-sales and declining on-sales and within the off sales market towards supermarket sales have led to the closure of pubs and off-licences. The loss of employment in these sectors has been considerable. This effect needs to be factored into consideration of the economic and health impact of minimum price policies.

Royal College of Psychiatrists in Scotland
6 December 2011