South Lanarkshire Council, Social Work Resources welcomes the opportunity to provide written evidence to the Scottish Parliament’s Health and Sport Committee on the financial implications of the Alcohol (Minimum Pricing) (Scotland) Bill as laid out in the financial memorandum to the Bill on 18 November 2011 and additional written response required by 12 December 2011.

1. Background

Alcohol (Minimum Pricing) (Scotland) Bill was introduced into the Scottish Parliament by the Scottish Government on 31 October 2011. The main purpose of the Bill is to introduce a minimum price of alcohol below which alcohol must not be sold on licensed premises. The minimum price will be set according to the strength of the alcohol, the volume of the alcohol and the minimum price per unit. The Scottish Parliament Finance Committee and the Health and Sport Committee intends that evidence received will inform its consideration of the Bill at Stage 1.

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

Advantages
The proposal that the price should reflect the unit of alcohol content of the drink is supported. Numerous reports highlight the relative decline in the price of alcohol and an increase in consumption in the U.K. Other reports suggest that raising the price of alcohol is an effective break on consumption, as experienced in other countries, notably Finland where the price of alcohol was adjusted downwards brought about a surge in alcohol related problems.

With Scotland experiencing twice as many alcohol related deaths compared with England, there is clearly a need to take proactive steps to address both consumption and the root cause of excessive alcohol misuse. We recognise that whilst price alone may have an impact in the short term, in the longer term there is a need to address the culture associated with drinking, in particular we recognise a range of measures need to be deployed to break Scotland’s relationship with alcohol.

South Lanarkshire Council provides service in line with the Lanarkshire Alcohol and Drug partnerships strategy (2011-2015) which recognises the significant impact alcohol has on the health and well-being of our population, especially those living in our most deprived communities, where the alcohol related death rate in the most deprived 20% of our population is five times that of the least deprived 20% (ISD 2009).
Scotland’s CMO also reported that deaths from liver disease now account for one in 50 of all Scottish deaths, at a time when the rate in most Western countries is falling. Worryingly since 1991, the average age at which people die from alcoholic liver disease has also dropped from 70 to 55 years of age. Both in terms of direct costs, such as hospital services and the criminal justice service, and indirect costs such as loss of productivity and the effects on families, the impact of alcohol misuse on the Scottish economy is substantial. There are also increasing numbers of 16-24 year olds who are drinking above safe levels, while nationally over 65,000 children are living with parents who are currently experiencing alcohol related problems.

Whilst addiction services have in recent years tended to focus on the young and adult population under 55, the drinking habits of older people have traditionally not been regarded as high priority. There is, however, evidence of an increase in both binge drinking and alcohol dependency in older adults. Alcohol Statistics Scotland 2011 showed that 24% of men aged 65+ were hazardous or harmful drinkers, as were 11% of women in the same age group. Hence, older adults may benefit from age specific targeting and treatment as much as younger groups, and it is therefore reasonable to conclude that a minimum price per alcohol unit will have an impact on levels of alcohol consumption in this population.

South Lanarkshire Council therefore endorse the proposals set out within the Alcohol Bill which adopts a whole population approach to tackling Scotland’s alcohol problem, including the proposed introduction of blanket minimum pricing of alcohol. This proposal is based on the most fundamental law of economics which links the price of a product to the demand for that product. Accordingly, increases in the monetary price of alcohol, including the introduction of a minimum price per unit would be expected to lower alcohol consumption and its adverse consequences.

Studies investigating such a relationship found that alcohol prices were one factor influencing alcohol consumption among youth and young adults. Other studies determined that increases in the total price of alcohol can reduce drinking and driving and its consequences among all age groups; lower the frequency of diseases, injuries, and deaths related to alcohol use and abuse; and reduce alcohol-related violence and other crime.

Indeed the World Health Organisation (2009) also recognise the extent and consistency of the evidence that alcohol-related harm is linked to product price, with a particular impact on younger and heavier drinkers.

Thus, we do not see any disadvantages to a minimum alcohol sales price but would advocate this be one element of a wider range of proposals to address the culture of drinking in Scotland.

Disadvantages
There are no direct disadvantages in adopting this approach from a public health perspective, however depending on how it is implemented it will have little or no impact on those who tend to drink the most expensive drinks (it is
feasible that some retailers will attempt to maintain price differentials). However, there may be other consequences of minimum pricing which need to be considered in any analysis of advantages and disadvantages. First there is the potential increase in profits for alcohol retailers under minimum pricing, and second there could, potentially, be the development of a black market in alcohol (depending on the minimum unit price).”

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

South Lanarkshire Council would support a minimum price of £0.50 per unit the justification for this level is taken from the University of Sheffield’s Report (2009) which suggests that as the minimum price threshold increases, alcohol-related hospital admissions and deaths are estimated to reduce. In line with the University of Sheffield’s Report (2009), £0.50 per unit would be supported as the minimum price of alcohol. The evidence presented by the University in relation to this unit cost details hospital admission at £0.40 and £0.50 thresholds and clearly suggests greater impact of minimum pricing at £0.50 without it having a significant impact on social drinkers.

On a broader note, we recognise the level at which the minimum price should be set needs to take into consideration the price of alcohol in other parts of the U.K and other European countries. There is a danger of a return to the ‘White Van Retailers’ selling alcohol purchased in other countries where it is taxed at a lesser extent. There may also be an increase of self importation from other European countries where individuals use their travellers’ allowance or indeed other parts of the U.K where there are no such restrictions.

When setting the price, consideration will also need to be given to reviewing the pricing structure and whether it is linked to inflation or set for a specific period before it is reviewed. In principle we agree with minimum pricing as a mechanism to dissuade individuals purchasing cheap alcohol, however, recognise the complexities around setting a minimum price.

2.3. Any other aspects of the Bill

Many of us have witnessed or been caught up in antisocial behaviours resulting from the worst excesses of Scotland’s drinking culture. There are significant numbers of people in Scotland, including Lanarkshire, who do not necessarily drink above the safe drinking levels, but who nevertheless cause themselves and others problems, often of a violent nature – this group of drinkers are often termed hazardous drinkers. The Sheffield Report (2009) found that minimum pricing is an effective strategy to reduce drinking amongst this population as well as those drinking at levels harmful to their health.

The alternative to introducing a minimum pricing for alcohol should involve the robust enforcement of current restrictions on the purchasing of alcohol. We are aware that many retailers have opted for a proof of age scheme to ensure compliance, we would also advocate the continuation of ‘test purchasing’ to
root out those retailers that sell alcohol to children. The power of advertising is recognised as a significant factor in purchasing alcohol particularly when there are promotional offers, thus the advertising of alcohol could be examined to reinforce the message that ‘alcohol is not an ordinary product’.

It is recognised that existing laws and policies have had a limited impact and the current national framework for alcohol resembles the World Health Organisations recommendations on reducing harm associated with alcohol misuse.

The advantages of introducing a social responsibility levy on pubs and clubs in Scotland could assist to off set the obvious costs i.e. accident and emergency services, policing, cleansing and also hidden costs associated with alcohol such as domestic violence. The impact of alcohol harm to Scotland is estimated at over £2 billion. We are mindful that the increase of harm has primarily been a result of alcohol purchased in off-sales.

The introduction of a social responsibility level we do not feel addresses the issue of ‘front loading’ where individuals consume alcohol in the home environment prior to attending pubs and clubs. These licensed premises could effectively be asked to pay unwittingly for the majority of an individual’s alcohol consumption which did not occur in their pub or club. It is felt; it will do little to reduce the amount of alcohol consumed in pubs and clubs.

In conclusion, setting a minimum price for alcohol and ending deep discounting and promotions across the board will reduce the price gap between the off-licensed and on-licensed trade. Regardless of the level of minimum price set, the combination of these measures will have a major impact on the health of Scotland. It will lower overall consumption with significant health benefits for the Scottish population and will curb the ability of problem drinkers to get drunk cheaply.

South Lanarkshire Council
12 December 2011