1. Introduction

Scottish Health Action on Alcohol Problems (SHAAP) was established by the Scottish Medical Royal Colleges and Faculties to raise awareness about alcohol-related health harm and to advocate for evidence-based policy measures formulated by public health interests to reduce this harm.

SHAAP welcomes the opportunity to submit evidence to the Health and Sport Committee following publication of the Alcohol Etc. (Scotland) Bill. We particularly welcome the policy objective identified in Sections 1, 2, 3, and 4 of the Bill to protect and improve public health by reducing alcohol consumption, and the provisions pertaining to alcohol pricing.

SHAAP convened an expert workshop in 2007 that focused specifically on pricing policy measures open to Government given the overwhelming scientific evidence linking alcohol price, consumption and harm. The findings were published in the report *Alcohol Price, Policy and Public Health* and the report recommended using price as a policy lever to reduce alcohol consumption and harm. We are therefore pleased to see an alcohol policy that is informed by the scientific evidence base which clearly identifies a reduction in overall consumption as a specific policy objective. Reducing overall alcohol consumption in the population is a necessary pre-requisite to reducing alcohol-related harm in Scotland and an effective alcohol policy requires whole population measures including controls on price and availability.

2. The rationale for minimum pricing

2.1 An extensive body of scientific research shows that controls on the price of alcohol are one of the most effective and cost-effective means of limiting the damage caused by alcohol use.\(^1\) Traditionally, taxation has been the favoured pricing policy lever used by governments to control the price of alcohol. However, there is a growing international consensus that statutory minimum unit pricing is a pricing policy measure that government(s) should consider implementing to reduce the increasing burden of harm caused by alcohol. Since the SHAAP price report was published in 2007, the World Health Organisation (WHO)\(^2\); the UK Health Select Committee\(^3\); the four Chief Medical Officers of the UK; and the National Institute for Clinical Excellence (NICE)\(^4\) have all advocated the introduction of minimum unit pricing. The growth in support for minimum pricing as a policy lever follows concern that tax increases are not always passed on to the consumer as big multiple retailers often absorb the cost of the increase or shift the burden of tax from alcohol onto other products they sell.\(^5\) Despite several tax increases in the past couple of years, retailers continue to use the lure of cheap alcohol to attract customers. Minimum pricing for alcohol is a public health safeguard against this harmful pricing practice.
2.2 The evidence indicates that establishing a minimum price for alcohol will be an effective means of reducing alcohol-related harm in Scotland. Cheaper alcohol tends to be bought more by harmful drinkers. It is estimated that 64% of low cost alcohol (below 40p a unit) is drunk by individuals consuming more than 50/35 units weekly. If the price of the cheapest alcohol goes up, we can expect the consumption of harmful drinkers to fall. It is sometimes argued that heavy drinkers will maintain their level of consumption whatever the price, but the evidence indicates otherwise. With recent data now showing the off-trade in Scotland selling double the amount of pure alcohol that is sold in the on-trade, it is clear that addressing the low prices charged for alcohol in the off-trade is essential to reducing harmful consumption. Minimum pricing will close the gap between on-trade and off-trade retail prices and is likely to curb ‘pre-loading’ where people consume cheap alcohol bought from off-licenced premises prior to going out to pubs and clubs.

2.3 To date, minimum pricing for alcohol has not been widely implemented in countries where the distribution of alcohol is in the hands of the private sector, although in countries where the authorities operate a monopoly on retail sales, such as in Canada, parts of the USA, Norway, Sweden and Finland, amongst others, there is de facto minimum pricing for alcohol. Recently Russia introduced a minimum unit price for vodka that more than doubles the cost of the cheapest vodka on the market, and the measure is being discussed in Australia, Ireland, and the UK. Overall, the evidence of effectiveness of price increases in reducing alcohol consumption is very strong. On this basis, there are sound reasons to believe that raising the price of the cheapest drinks through minimum pricing will result in reduction in the amount of drinking and harm that is linked to cheap alcohol.

2.4 We are perplexed by the objection to minimum pricing that Scotland would be one of the first countries to introduce the measure. We find the notion that policy-makers should never attempt anything in policy terms that has not been tried before difficult to comprehend. We live in a changing world and throughout human history individuals and societies have adapted their knowledge, skills and practices to deal with new circumstances and situations. Historically, some of the most significant advances in population health have been achieved through changes to the environment in which we live. During the 19th and 20th centuries, improvements in sanitation and housing were critical in reducing ill-health and premature death, as were measures to tackle air pollution and the introduction of health and safety regulations in the workplace. Over the past few decades, the way in which we buy and consume alcohol has changed almost beyond recognition. Lower production costs and cheap supermarket alcohol combined with rising disposable incomes have meant that alcohol is now 75% more affordable than 30 years ago. The way the alcohol market operates in the UK today contributes significantly to our problem alcohol use, with its promotion of low-cost alcohol. Given the substantial health and social costs to society from increasing alcohol use, there is a compelling case for looking at additional price controls such as minimum pricing to limit the damage from alcohol use and to safeguard the health and well-being of our society.
3. The advantages and disadvantages of establishing a minimum alcohol sales price based on a unit of alcohol

3.1 Advantages: The main advantage of minimum pricing is that the evidence indicates it will be effective in reducing alcohol-related harm (see para 2.2 above). It is also a cost-effective measure. Minimum pricing could be introduced at little additional cost to the public purse. Once a minimum price per unit was set, it would be a simple matter to work out whether an alcoholic drink was being sold below the minimum price. This transparency makes monitoring and enforcement straightforward.

3.1.2 Linking price to alcohol content makes drinks containing less alcohol less expensive thereby providing a financial incentive for a shift in consumption to lower-strength drinks.

3.2 Disadvantages: We see no disadvantages for the health and well-being of the people of Scotland from the introduction of this measure. Scotch whisky industry representatives claim that minimum pricing will cost the whisky sector in Scotland profitability and jobs, but such claims require critical scrutiny. Around 90 per cent of Scotch whisky is exported from the UK and is not therefore subject to UK rates of excise duty, VAT, or minimum pricing if introduced. Despite this fact, whisky industry representatives still argue that minimum pricing in Scotland will make whisky exports less competitive. They maintain that foreign governments can use policies such as taxation and minimum pricing to justify placing higher tariffs and duties on imported Scotch whisky. This assertion is questionable. In 2008 the alcohol duty on spirits was increased twice and the value of whisky exports reached record levels. In 2009 the duty on spirits was increased again and in the same year the industry recorded export growth in a time of recession.

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

A minimum price should be set at a level the evidence indicates will reduce the burden of harm from alcohol use. Setting an appropriate level requires an analysis of the market, alcohol consumption and expenditure patterns, and health and crime data. This type of analysis has been undertaken by Sheffield University and their findings provide policy-makers with useful guidance on setting an effective minimum price. It is unlikely to be appropriate to specify what a minimum price per unit of alcohol should be in primary legislation. For a minimum price to be effective, it will need to be reviewed on a regular basis and adjusted when necessary to maintain its value in line with inflation.

5. Possible alternatives to the introduction of a minimum alcohol sales price

5.1 Addressing problem alcohol use requires a range of interventions to reduce harm. However, controls on the price of alcohol should form the core
of any alcohol strategy as the evidence overwhelmingly shows that they are the most effective and cost-effective interventions. Non-price control initiatives should supplement minimum pricing in reducing alcohol-related harm in Scotland, but they are not a substitute for it. Enforcement measures are costly to implement and consequently can only be targeted at small sections of the drinking population. Many people drinking harmfully in Scotland are not under 18, are not currently known to any treatment services, and don’t break the law. Minimum pricing is a preventative low-cost approach to tackling problem drinking across the whole drinking population. It will impact most on the people that drink the most. The evidence indicates that it will reduce consumption and prevent alcohol damage from occurring. Enforcement measures, by contrast, often come into effect after the damage from alcohol has been done.

5.2 An alternative price control in the form of increasing the taxation on particular ‘problem drinks’, such as alcopops, super-strength beers and ciders, has been suggested. The difficulty with this approach is that there is no clear rationale for increasing tax on these specific products over and above other alcoholic drinks. For example, sales data indicates that alcopops represent a very small segment of the alcohol market in the UK and sales have been falling in recent years. Survey data reporting the drinking habits of vulnerable drinkers such as children under the age of 18, reveal that they drink a range of alcohol products with spirits (particularly vodka) drunk in similar if not greater quantities than alcopops and other premixed drinks. The case for increasing taxation on alcopops and leaving vodka and other drinks at the same level is not supported by the evidence. Similar arguments have been raised in connection with Buckfast. However, Buckfast makes up less than 1% of the volume of alcohol sold in Scotland.

5.3 Banning below-cost selling has also been suggested as an alternative to minimum pricing for alcohol. The main difficulty with this proposal is that it is practically very difficult to enforce. Determining whether a product is being sold below-cost cannot be done just by looking at the retail price. It requires a specialised investigation that will make monitoring and enforcement a very lengthy and costly process. In 2000, the Competition Commission explored the option of banning below-cost selling in the groceries market in the UK, but decided against the measure as they found bans operating in other countries not to be effective.

6. The role of promotional offers and promotional material in encouraging people to purchase more alcohol than they intended

Retailers discount alcohol to attract customers; however, in order to keep their profit margins up, they need to sell more of their discounted product. They succeed in doing this through the use of multi-buy promotions. The purpose of these promotional offers is to encourage additional buying. The evidence we have on drinking behaviour suggests that people are more likely to buy brands of alcohol that are promoted or discounted in price. Some supermarkets argue that their alcohol promotions are not aimed at immediate consumption and that their customers buy alcohol as part of a weekly shop
and drink it over a period of time. However, there is no evidence to back up this assertion. What we know is that an increasing amount of alcohol is sold from off-licensed premises; that the off-trade has a greater market share of higher strength products with off-trade sales accounting for three-quarters of wine and spirits sold in Scotland; and that people consuming alcohol at home or in other domestic settings pour themselves considerably larger measures than the standard measures served in on-licensed premises. 

7. The justification for empowering licensing boards to raise the legal alcohol purchase age in their area to 21

As a means of reducing alcohol problems, raising the purchase age in off-licenced premises to 21 has already been piloted in areas of Fife and West Lothian, as well as in parts of England and Wales. Although the measure has not yet been extensively evaluated, there are indications that it has been successful in some areas in alleviating alcohol-related problems with a reduction in the number of alcohol-related incidents reported to the police and complaints made by local residents about anti-social behaviour. There is also evidence that raising the drinking age from 18 to 21 could have significant health benefits for young people. Research from the USA found that raising the minimum purchase age to 21 resulted in a reduction in alcohol consumption amongst young people and traffic accidents, as well as delaying the onset of drinking. We know that young people are more vulnerable to the harmful effects of alcohol consumption and are susceptible to experiencing alcohol poisoning and accidental injury. A growing body of evidence also shows that heavy alcohol consumption in adolescence may impair brain development and it is now well-established that brain development continues through adolescence into early adulthood. Restricting young people’s access to cheap off-sales alcohol is likely to lead to an overall reduction in the alcohol consumption in this age group and consequently their risk of immediate and long-term harm.

8. The advantages and disadvantages of introducing a social responsibility levy on on-sales and off-sales licence holders in Scotland

We support the principle that there should be a relationship between the financial cost of responding to the impact of alcohol and the profits made by the industry.

Scottish Health Action on Alcohol Problems (SHAAP)
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References

1. See Babor et al, (2003), Alcohol: No Ordinary Commodity, Oxford University Press.
4. Alcohol-use disorders: preventing the development of hazardous and harmful drinking, NICE (draft guidance), 2009.
7. Studies that have looked at the effects of alcohol price and tax changes on alcohol-related problems have found evidence that changes in price/tax do influence rates of harmful drinking. It has been observed that when the price of alcohol goes up, population consumption falls and when population consumption falls, so do rates of chronic alcohol-related disease such as alcoholic liver cirrhosis. What this evidence indicates is that changes in population consumption reflect changes in the drinking habits of harmful drinkers, not just moderate drinkers. If price changes only influenced the consumption of moderate drinkers then we wouldn’t expect to see trend changes in rates of chronic alcohol-related diseases following alcohol price increases or decreases.
17. Supermarkets: A report on the supply of groceries from multiple stores in the United Kingdom, Competition Commission Inquiry 2000, pp 145-146
19. Analysis of drinking diaries and self-poured drinks, NHS Health Scotland, October 2007; Average Drinker unaware of how many units they are drinking, Department of Health, December 2009.
22. Alcohol Statistics Scotland, 2009, NHS Information Services Division