

## **Agenda – Health, Social Care and Sport Committee**

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| Meeting Venue:                   | For further information contact:   |
| <b>Committee Room 1 – Senedd</b> | <b>Claire Morris</b>   |
| Meeting date: 13 December 2017   | Committee Clerk  |
| Members pre-meeting: 09.15       | 0300 200 6355  |
| Meeting time: 09.30              | <a href="mailto:SeneddHealth@assembly.wales">SeneddHealth@assembly.wales</a> |

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### **Informal pre-meeting (09.15 – 09.30)**

#### **1 Introductions, apologies, substitutions and declarations of interest**

#### **2 Public Health (Minimum Price for Alcohol) (Wales) Bill – evidence session 6 – Alcohol Concern Cymru**

(09.30 – 10.00)

(Pages 1 – 26)

Dr Richard Piper, Chief Executive, Alcohol Research UK

Andrew Misell, Director, Alcohol Concern Cymru

#### **Break (10.00 – 10.05)**

#### **3 Public Health (Minimum Price for Alcohol) (Wales) Bill – evidence session 7 – Salvation Army and Barnardo's**

(10.05 – 10.50)

(Pages 27 – 36)

Lynden Gibbs, Salvation Army

Tim Ruscoe, Public Affairs Officer Wales, Barnardo's

#### **4 Paper(s) to note**



- 4.1 Public Health (Minimum Price for Alcohol) (Wales) Bill – Additional information from Chris Snowdon, Institute of Economic Affairs**  
(Pages 37 – 38)
- 4.2 Letter from the Cabinet Secretary for Finance to the Chair of the Finance Committee regarding draft budget 2018–19**  
(Page 39)
- 4.3 Public Health (Minimum Price for Alcohol) (Wales) Bill – Additional information from Professor Stockwell, University of Victoria**  
(Pages 40 – 42)
- 4.4 Public Health (Minimum Price for Alcohol) (Wales) Bill – Summary of work undertaken by the National Assembly's Outreach Team**  
(Pages 43 – 49)
- 5 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting**
- 6 Public Health (Minimum Price for Alcohol) (Wales) Bill – consideration of evidence**  
(10.50 – 11.00)
- 7 Forward Work Programme**  
(11.00 – 11.15) (Pages 50 – 53)

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## **Alcohol Concern’s written evidence to the Health, Social Care and Sport Committee of the National Assembly for Wales on the Public Health (Minimum Price for Alcohol) (Wales) Bill**

### **General principles**

**1.0** Alcohol Concern strongly supports the principles of the Public Health (Minimum Price for Alcohol) (Wales) Bill. Despite a small decline in alcohol consumption in the UK over the last few years,<sup>1</sup> more needs to be done to reduce the avoidable harms resulting from alcohol misuse. Managing the price of alcohol is an important component of that work.

**1.1** A review of international evidence, published by Bangor and Glyndŵr Universities in 2011 came to the following very clear conclusion: “Within the international literature on reducing alcohol consumption and the harm related to alcohol, the finding with the strongest evidence base is that consumption of alcohol is highly sensitive to changes in price (or, to be more accurate, affordability). When the price of alcohol drops, more is consumed; when alcohol becomes more expensive, less is consumed. This effect is seen across the entire population that drinks alcohol”.<sup>2</sup>

**1.2** Historically, taxation has been the method used in the UK to adjust the price of alcohol. However:

- The duty system for alcohol in the UK is loaded with historical anomalies and does not relate closely to the alcoholic strength of drinks.<sup>3</sup> For example, even after the recent Budget announcement on cider duty comes into force in 2019, the duty on all ciders from 1.3% to 6.8% ABV will be the same<sup>4</sup>

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<sup>1</sup> British Beer and Pub Association (2017) *Statistical handbook 2017*, London, BBPA.

<sup>2</sup> Bailey, J. et al. (2011) *Achieving positive change in the drinking culture of Wales*, Wrexham, Glyndŵr University.

<sup>3</sup> op. cit. British Beer and Pub Association.

<sup>4</sup> HM Treasury (2017) *Autumn Budget 2017: duty on high strength ciders*, London, HM Treasury, online, available at:

- Research has shown that after rises in alcohol duty, some supermarkets pass more of the duty increases on to mid-range and top-end products, in order to keep their cheapest alcohol prices down;<sup>5</sup> and some drinks producers have said quite openly that they absorb some duty increases so as not to raise their prices for consumers.<sup>6</sup>

**1.3** A form of baseline price for alcohol in England and Wales was established in 2014 when the then Chancellor introduced legislation banning the sale of alcohol below the combined cost of excise duty and VAT. This was intended to prevent “businesses from selling alcohol at heavily discounted prices” and thereby reduce “excessive alcohol consumption and its associated impact on alcohol-related crime and health harms.”<sup>7</sup> However, the total of VAT and duty is a very low threshold, and it has been found that less than 1% of alcoholic drinks on sale have been affected by this measure.<sup>8</sup> Researchers have concluded that it has had “almost no impact on population consumption, spending and alcohol-related harms”.<sup>9</sup>

**1.4** Minimum unit pricing (MUP) is a more effective, fairer and more targeted method of regulating the price of alcohol, in that it correlates directly with the amount of pure alcohol (ethanol) in any container or serving of a drink, regardless of what type of drink it is (beer, cider, wine, spirit or mixed) and regardless of where it is sold (in a pub, club, restaurant or shop). By setting a baseline price below which a unit of alcohol (10ml of ethanol) cannot be sold, MUP will have the greatest impact on drinks sold at the lowest prices relative to their alcoholic strength – drinks which tend to be favoured by the heaviest drinkers.<sup>10, 11</sup> This will be most obvious in the case of white ciders, for which there is little or no demand apart from that from people who are dependent on alcohol.<sup>12, 13</sup> Conversely, MUP would have a minimal financial impact on people drinking moderately (within the UK Chief Medical Officers’ guidelines), for whom there would be a projected average increase in the cost of drinking of a few pounds per year (or a few pence per week).<sup>14</sup> As such, MUP very much

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/661438/duty\\_on\\_high\\_street\\_ciders.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/661438/duty_on_high_street_ciders.pdf) [accessed 22 November 2017].

<sup>5</sup> Ally, A. K. et al. (2014) *Alcohol tax pass-through across the product and price range: do retailers treat cheap alcohol differently?*, *Addiction*, 109(12), pp1994-2002.

<sup>6</sup> Turney, E. (2010) *Magners absorbs cider duty hike*, *Morning Advertiser*, 26 March 2010.

<sup>7</sup> Home Office (March 2017) *Guidance on banning the sale of alcohol below the cost of duty plus VAT*, London, Home Office.

<sup>8</sup> Brennan, A. et al. (2014) *Potential benefits of minimum unit pricing for alcohol versus a ban on below cost selling in England 2014: modelling study*, *BMJ*, September 2014.

<sup>9</sup> Meng Y. et al. (2014) *Model-based appraisal of minimum unit pricing for alcohol in Wales: An adaptation of the Sheffield Alcohol Policy Model version 3*, Sheffield: SCHARR, University of Sheffield.

<sup>10</sup> Alcohol Concern (2015) *Alcohol brands consumed by young people in treatment 2015*, London, Alcohol Concern, 2015.

<sup>11</sup> Holmes, J. et al. (2014) *Effects of minimum unit pricing for alcohol on different income and socioeconomic groups: a modelling study*, *The Lancet*, 10 February 2014.

<sup>12</sup> Goodall, A. (2011) *White cider and street drinkers: recommendations to reduce harm*, London, Alcohol Concern.

<sup>13</sup> Chick, J. et al. (2016) *Alcohol pricing and purchasing among heavy drinkers in Edinburgh and Glasgow*, London, Alcohol Research UK.

<sup>14</sup> op. cit. Meng Y. et al.

accords with the Prudent Healthcare principles of doing only what is needed, no more, no less; and of reducing inappropriate variations in health outcomes using evidence-based practice.<sup>15</sup>

**1.5** MUP could also not be side-stepped by alcohol retailers in the way that the 2010 Scottish ban on multiple purchase discounts (such as three bottles for the price of two) has been, with “the industry appearing to have responded to the ban by replacing multi-buy with simple price reduction [on individual items].”<sup>16</sup>

## Unintended consequences

**2.0** Given that Wales and Scotland will be the first territories in the world to introduce MUP based solely on the alcoholic strength of drinks, there may be unforeseen or unintended consequences, as with any new policy or initiative. Alcohol Concern therefore advocates robust evaluation of the implementation of MUP in Wales and its effects (as will also be happening in Scotland as part of Monitoring and Evaluating Scotland’s Alcohol Strategy).<sup>17</sup> In both territories, this will provide a unique opportunity to carefully observe the impacts of MUP in a real-world environment. Similarly, the inclusion of a ‘sunset clause’ will mean that, should the anticipated reductions in harm not manifest within an agreed period, then the measure could be adjusted or reversed.

We have examined some of possible consequences of MUP below.

## Will MUP undermine local pubs?

**2.1** The impact of MUP will be felt almost entirely in the off-trade (off-licences and supermarkets) rather than the on-trade (pubs, clubs and restaurants). Field research by Alcohol Concern in Wales in October and November 2017 found many products on sale in shops well below the probable MUP threshold of 50p per unit. These included:

- 70cl of vodka or gin for £10.00: 38p per unit
- 70cl of fortified wine for £2.99: 27p per unit
- 3 litres of strong cider for £3.99: 18p per unit.<sup>18</sup>

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<sup>15</sup> Welsh Government (2015) *Prudent healthcare – setting out the prudent principles*, online, available at: <http://www.prudenthealthcare.org.uk/principles/> [accessed 16 November 2017].

<sup>16</sup> University of Cambridge press release (2013), *New study reveals that the ban on alcohol multi-buy promotions in Scotland did not reduce the amount of alcohol purchased*, online, available at: <http://www.cam.ac.uk/research/news/new-study-reveals-that-the-ban-on-alcohol-multi-buy-promotions-in-scotland-did-not-reduce-the-amount> [accessed 29 November 2017].

<sup>17</sup> See: <http://www.healthscotland.scot/health-topics/alcohol/monitoring-and-evaluating-scotlands-alcohol-strategy> [accessed 17 November 2017].

<sup>18</sup> Full survey findings available on request from Alcohol Concern Cymru.

Conversely, when we surveyed the price per unit of popular drinks sold in pubs and bars,<sup>19</sup> the cheapest drink we found was cider at 98p per unit, nearly twice the proposed 50p per unit threshold. The average prices we found for cider, lager and red wine in pubs were £1.36 per unit, £1.43 per unit and £1.53 per unit respectively.<sup>20</sup>

**2.2** Many publicans believe that MUP could be advantageous to them by redressing to some extent the price disparity between the on- and off-trades. An Alcohol Concern survey of publicans in Wales in 2012 found that 77% supported a 50p MUP, and that 94% believed that cheap alcohol in supermarkets and off-licences was damaging their trade.<sup>21</sup> More recently, UK-wide research has found that 83% of publicans believe supermarket alcohol is too cheap, and 73% think increasing its price should be a priority for politicians in tackling alcohol problems.<sup>22</sup> In 2010, the Rural Development Sub-Committee of the National Assembly concluded that “the availability of cheap alcohol in supermarkets...undermines those smaller producers seeking to develop and sell quality products, as well as threatening the future of community pubs”.<sup>23</sup>

## **Incentivising reductions in the alcoholic strength of drinks**

**2.3** One unintended but welcome consequence of MUP may be that it creates an incentive for producers to innovate by offering a greater range of less alcoholic drinks or by lowering the strength of some current brands, thereby providing more options for consumers who wish to moderate their consumption. A similar effect was observed following the 50% reduction in 2011 in the duty on beers of 2.8% ABV or less.<sup>24</sup> Within a year, sales of these products had reportedly risen by more than 40% nationwide.<sup>25</sup>

**2.4** To illustrate this possible impact of MUP on the strength of drinks: wine typically has an alcohol content of around 12% to 13%, meaning that a standard bottle contains 9 to 10 units of alcohol. If we take the example of a 12.5% Sauvignon Blanc currently on sale in a popular supermarket for £3.89,<sup>26</sup> this contains just over 9 units per bottle, and with a 50p

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<sup>19</sup> The drinks surveyed were Strongbow or Magners cider at 4.8% ABV, Heineken or San Miguel lager at 5% ABV, and Merlot wine at 12.5% to 13.5%.

<sup>20</sup> Full survey findings available on request from Alcohol Concern Cymru.

<sup>21</sup> Alcohol Concern (2012) *Minimum unit pricing and the pub*, Cardiff, Alcohol Concern.

<sup>22</sup> Institute of Alcohol Studies (2017) *Pubs quizzed: What publicans think about policy, public health and the changing trade*, London, IAS.

<sup>23</sup> National Assembly for Wales Rural Development Sub-Committee (2010) *The wine, beer, cider and spirits industries*, Cardiff, National Assembly for Wales.

<sup>24</sup> Leicester, A. (2011) *Alcohol pricing and taxation policies*. IFS Briefing Note BN124, London, Institute of Fiscal Studies.

<sup>25</sup> Roberts, G. (2012) *Low-alcohol beers show their true calibre*, The Independent on Sunday, 18 March 2012 online, available at: <http://www.independent.co.uk/life-style/food-and-drink/news/low-alcohol-beers-show-their-true-calibre-7576435.html> [accessed 17 November 2017].

<sup>26</sup> See: <https://www.lidl.co.uk/en/White-Wine-3659.htm?articleId=1384> [accessed 17 November 2017].

per unit MUP could not be sold for less than £4.69. However, by reducing the alcoholic strength from 12.5% to 10%, the unit content would be reduced to 7½ units and the minimum price at 50p per unit would therefore be £3.75, i.e. less than its current price. Given the incremental increase in the alcoholic strengths of wines over the past 10 to 20 years, this may be a very welcome development.<sup>27</sup> The Scottish Government has already suggested of its own MUP measure that “it is possible that its introduction will incentivise producers to produce lower strength alcohol products as these would retail more cheaply”.<sup>28</sup>

## **Cross-border alcohol shopping**

**2.5** It is sometimes suggested that MUP in Wales will push consumers who live close to the border with England to purchase their alcohol there. Cross-border food and drink shopping already occurs, of course, where it is more convenient for consumers; but any additional or particular cross-border alcohol shopping will depend on people’s willingness and ability to travel, and the price differential compared to the costs of transport. With regards to their own MUP measure, the Scottish Government has concluded that “for most Scots, purchasing in England would incur both a time and travel cost...likely to outweigh any savings on the price of alcohol”.<sup>29</sup> Similarly, in instances where shoppers have travelled from the Republic of Ireland to Northern Ireland to take advantage of cheaper alcohol, it has been found that the motivation was cheaper groceries overall, not alcohol in particular.<sup>30</sup> (The comparison with Northern Ireland is probably the most relevant here, since, like Wales, it is a relatively small country with a relatively long border with the adjoining territory; the border between Scotland and England is comparatively short and quite some distance from Scotland’s major centres of population).

**2.6** In 2011, researchers at Bangor and Glyndŵr Universities reviewed international evidence on cross-border alcohol purchases in various territories and concluded that “overall, the evidence on availability does not uniformly suggest that reducing availability in one area simply leads to people travelling to less restrictive areas” and that “a significant proportion of the population choose to drink less rather than to travel to purchase alcohol”.<sup>31</sup> Research by Cardiff and Swansea Universities in 2016 found a strong link

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<sup>27</sup> Alston, J.M. et al. (2011) *Too much of a good thing? Causes and consequences of increases in sugar content of California wine grapes*, Journal of Wine Economics, Vol. 6, No. 2, Autumn 2011.

<sup>28</sup> Scottish Government (2012) *Final business and regulatory impact assessment for minimum price per unit of alcohol as contained in Alcohol (Minimum Pricing) (Scotland) Bill*, Edinburgh, Scottish Government.

<sup>29</sup> *ibid.*

<sup>30</sup> *ibid.*

<sup>31</sup> *op. cit.* Bailey, J. et al.



between people's alcohol consumption habits and the distance to their nearest alcohol outlet, suggesting a reluctance to travel more than a few minutes to purchase alcohol.<sup>32</sup>

**2.7** References are sometimes made to the Sunday Closing (Wales) Act 1881, which kept pubs in some parts of Wales closed on Sundays until 1991. Although the attempts to evade this measure have entered into folklore – what one Archbishop of Wales memorably described as the “Sunday trek across the English border for drinking purposes”<sup>33</sup> – the vast majority of evasion of this Act involved use of the loophole allowing drinking on private premises, rather than travelling to purchase alcohol.<sup>34</sup>

## **Cross-border online sales**

**2.8** The Explanatory Memorandum to the Bill states that “online and mobile businesses licensed in Wales will need to ensure they are charging in line with the MUP when supplying to customers in Wales” but that “online and mobile businesses licensed in England will not be covered by the legislation when supplying to customers in England or Wales”.<sup>35</sup> However, it is worth noting that the Home Office's 2015 guidance on the Licensing Act 2003 states that, legally, a sale of alcohol takes place at the point at which the alcohol is “appropriated to the contract (i.e. the place where it is identified and specifically set apart for delivery to the purchaser)” rather than the place where payment is made.<sup>36</sup> This means that even if a Welsh customer purchases alcohol at below the MUP via an internet server outside Wales (as many retailers' servers will be) that order could not be packed and dispatched from any supermarket or warehouse in Wales.

**2.9** When the Scottish Government introduced a ban in 2010 on multiple-purchase discounts, Tesco announced that they would side-step the measure by using distribution centres in England.<sup>37</sup> However, it is not clear to what extent this actually happens, and no other retailers appear to have followed suit. Both Tesco and Sainsbury's operate their online service from the local shops, and in the case of Tesco this is what allows them to offer same-day delivery to 98% of UK addresses.<sup>38, 39</sup> Shifting from this distribution model in order to circumvent MUP in Wales would incur substantial extra costs, and seems unlikely to occur.

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<sup>32</sup> Fone, D. et al. (2016) *Change in alcohol outlet density and alcohol-related harm to population health (CHALICE): a comprehensive record-linked database study in Wales*, Public Health Research 4(3), 1.10.3310/phr04030

<sup>33</sup> Morris A.E. (1961) *The Christian use of alcoholic beverages*, Risca, Starling Press.

<sup>34</sup> Alcohol Concern (2010) *A drinking nation? Wales and alcohol*, Cardiff, Alcohol Concern.

<sup>35</sup> Welsh Government (2015) *Draft Public Health (Minimum Price for Alcohol (Wales) Bill): Explanatory Memorandum incorporating the Regulatory Impact Assessment and Explanatory Notes*, Cardiff, Welsh Government.

<sup>36</sup> Home Office (2017) *Revised guidance issued under section 182 of the Licensing Act*, London, Home Office.

<sup>37</sup> BBC Scotland Online (2011) *Online loopholes in Scottish alcohol bill*, online, available at: <http://www.bbc.co.uk/news/uk-scotland-15123533> [accessed 17 November 2017].

<sup>38</sup> Withers, I. (2017) *Tesco launches same day delivery across the UK*, Daily Telegraph, 24 July 2017.

<sup>39</sup> See: <https://www.tesco.com/wine/help/default.aspx?name=deliveryoptions> [accessed 1 December 2017]

## Home brewing

**2.10** Although home brewing has been mentioned as a possible means to evade MUP,<sup>40</sup> it is unlikely to become anything other than the minority pursuit it currently is,<sup>41</sup> given the time, expense and effort it involves. Our own research indicates that the cheapest home brewing ingredients would allow the production of 40 pints of beer at a price of around 13p per unit (around ¼ of the likely MUP) but an that initial capital investment of around £48 is needed for equipment (taking the cost of the first batch to 66p per unit) and each batch of beer will take 3 to 4 weeks to be drinkable.<sup>42</sup>

## Illicit alcohol sales

**2.11** The extent and importance of illicit (untaxed) alcohol sales in the UK has been emphasised by some sections of the alcohol industry, although there appear to be some commercial motivations behind this. The Wine and Spirit Trade Association (WSTA) highlight illicit sales in the context of campaigning for reducing the excise duty on their members' products, claiming that current duty rates "create an incentive for duty fraud".<sup>43</sup> Although the British Beer and Pub Association (BBPA) state that "the problem [of illicit alcohol] is being overestimated", they also blame any illicit sales that are occurring on "the huge, and growing discrepancy in rates of beer duty between the UK and neighbouring countries",<sup>44</sup> again as part of a broader campaign for duty reductions for their members.<sup>45</sup>

**2.12** On the specific question of MUP, the Scottish Government has said that it does not consider its proposed 50p baseline price is likely to incentivise illicit sales.<sup>46</sup> Even if MUP could be said to provide such an incentive, it is worth remembering that the fact a particular criminal activity is rendered attractive by the costs of producing and selling a product via legitimate channels is not generally regarded as a reason in itself for decriminalising that activity. HMRC, the UK Border Force and other agencies have an extensive range of sanctions they can apply to penalise those involved in the transport and sale of illicit alcohol, including seizure of goods and substantial fines; and since April 2017 it has been an offence for a retailer to buy alcohol from an unapproved source.<sup>47</sup>

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<sup>40</sup> McDonald, L. (2010) *Price-fixing is the wrong way to tackle binge drinking*, IEA blog, 13 August 2010, online, available at: <https://iea.org.uk/blog/price-fixing-is-the-wrong-way-to-tackle-binge-drinking> [accessed 21 November 2017].

<sup>41</sup> According to one 2014 estimate, "up to 14,000" people in the UK "dip their toe in occasionally" into the hobby, i.e. around 25 in every 10,000 adult drinkers. See: Lee, A. (2014) *Small beer...big business*, Daily Express, 7 July 2014.

<sup>42</sup> Information from the Wilko and Love Brewing websites [accessed 17 November 2017].

<sup>43</sup> See: <http://www.wsta.co.uk/what-we-do/policy?id=256> [accessed 17 November 2017].

<sup>44</sup> See: <http://www.beerandpub.com/dutyfraud> [accessed 17 November 2017].

<sup>45</sup> See: <http://www.beerandpub.com/campaigns/pub-jobs> [accessed 22 November 2017].

<sup>46</sup> op. cit. Scottish Government.

<sup>47</sup> HM Revenue & Customs (2016) *The HMRC alcohol strategy: modernising alcohol taxes to tackle fraud and*

## Increasing supermarket profits at the expense of consumers

**2.13** Given that MUP will drive up the price of some drinks (as it is intended to do), one possible consequence could be that it produces a ‘windfall’ of additional revenue for retailers. However, any such increase is questionable given the tendency of alcohol price increases to drive down sales.<sup>48</sup> It is also worth asking why the major supermarkets, as represented by the British Retail Consortium, have been so persistent in their opposition to MUP if they thought it could be commercially advantageous to them.<sup>49</sup> Should that opposition prove to have been misplaced from a business point of view, with off-trade retail revenues growing as a result of MUP, a portion of this new revenue would be taken by HM Treasury in the form of VAT and excise duty, as at present,<sup>50</sup> and we would advocate a dialogue between the Welsh Government and HM Treasury as to how these new monies might be redirected to provide assistance to those affected by alcohol problems.

## Increasing the cost of bulk alcohol purchases

**2.14** As noted, above MUP will have the greatest impact on the drinks sold at the lowest prices relative to their alcoholic strength, for a number of which there is little or no demand apart aside from amongst alcohol-dependent drinkers.<sup>51, 52</sup> Alcohol Concern’s own research in Wales indicates that there will be less impact on the prices of the drinks brands favoured by most consumers, most of which are sold above the likely MUP of 50p per unit, or only slightly below it.<sup>53</sup> However, MUP is likely to have an impact when such brands are made available with bulk-purchase discounts (‘multi-buy’ deals). For example:

- We found Isla Negra Merlot on sale in Tesco in November 2017 for £5.00 a bottle, or 53p per unit. However, taking advantage of an offer of 25% off when buying 6 or more bottles took the price down to 40p per unit<sup>54</sup>
- Similarly, Captain Morgan Spiced Rum was on sale in Morrisons at £17 for 70cl, or 69p per unit. The offer of 2 bottles for £22 took the price down to 45p per unit.<sup>55</sup>

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*reduce burdens on alcohol businesses*, London, HMRC.

<sup>48</sup> op. cit. Bailey, J. et al.

<sup>49</sup> Talking Retail (2009) *Retailers slam minimum pricing*, Talking Retail, 30 September 2009, online available at: <https://www.talkingretail.com/news/industry-news/retailers-slam-minimum-pricing-30-09-2009/> [accessed 21 November 2017].

<sup>50</sup> See: <https://www.gov.uk/government/publications/alcohol-duty-rate-changes/alcohol-duty-rate-changes> [accessed 17 November 2017].

<sup>51</sup> op cit. Goodall, A.

<sup>52</sup> op cit. Chick, J. et al.

<sup>53</sup> Full survey findings available on request from Alcohol Concern Cymru.

<sup>54</sup> See: <https://www.tesco.com/groceries/en-GB/products/252954913> [accessed 20 November 2017].

<sup>55</sup> See: [https://groceries.morrisons.com/webshop/product/Captain-Morgans-Spiced-Rum/119524011?from=offer\\_details&param=1003264065&parentContainer=PROMO](https://groceries.morrisons.com/webshop/product/Captain-Morgans-Spiced-Rum/119524011?from=offer_details&param=1003264065&parentContainer=PROMO) [accessed 20 November 2017].

**2.15** The British Retail Consortium has previously stated that large purchases of alcohol sold at a discount by supermarkets are “for enjoying at home with family and friends over a long period”,<sup>56</sup> although they have not so far been able to provide any evidence for this. There is some evidence from other sectors that multiple purchase discounts encourage consumers to make one single large purchase instead of a series of smaller ones. However, such discounts are also routinely used to entice customers to buy more than they initially intended.<sup>57</sup> One Australian study found that consumers who took advantage of point-of-sale alcohol promotions purchased a greater quantity of alcohol than those who did not, and that 40% of customers who took advantage of such promotions said that they had bought a specific quantity of alcohol because of the promotion.<sup>58</sup> Similarly, research undertaken for HMRC in 2013 found that “promotions on less expensive wine and less expensive beer tend to lead to an increase in the total units [of alcohol] purchased” and that “for spirits, the application of individual promotions always led to an increase in the total units purchased”.<sup>59</sup>

**2.16** Given what we know about the importance of ease of availability and convenience in people’s drinking habits, it follows that having a larger stock of alcohol already bought and stored at home is likely to lead to higher consumption. As one participant in research by Greenwich University in 2009 put it, “You can relax more at home...You can just go and get yourself a drink. You sit down and you are pretty much there for the rest of the night.”<sup>60</sup>

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<sup>56</sup> British Retail Consortium (2014) *Policies and issues: food – alcohol*, online, available at: [http://www.brc.org.uk/brc\\_policy\\_content.asp?iCat=46&iSubCat=654&spolicy=Food&sSubPolicy=Alcohol](http://www.brc.org.uk/brc_policy_content.asp?iCat=46&iSubCat=654&spolicy=Food&sSubPolicy=Alcohol) [accessed 20 August 2014].

<sup>57</sup> Mohammed, R. (2013) *When it’s wise to offer volume discounts*, Harvard Business Review, 25 October 2013.

<sup>58</sup> Jones S.C. et al. (2015) *The influence of price-related point-of-sale promotions on bottle shop purchases of young adults*, Drug and Alcohol Review, 2015;34(2):170–6, cited in Public Health England (2016) *The public health burden of alcohol and the effectiveness and cost-effectiveness of alcohol control policies: An evidence review*, London, Public Health England.

<sup>59</sup> Rohr, C. et al. (2013) *Consumers’ responsiveness to alcohol multi-buy sales promotions: results from a stated preference choice experiment*, London, HMRC.

<sup>60</sup> Foster, J. (2009) *Why do people drink at home? An exploration of the perceptions of adult home consumption practices*, London, Greenwich University.

## Impacts on dependent drinkers

**2.17** Legitimate concerns have been expressed about the possible effects of MUP on alcohol-dependent drinkers; for example, that it could drive them to steal alcohol (or steal in order to buy alcohol), to consume other potentially dangerous alcohols (such as methanol), or to substitute other substances for alcohol.

**2.18** It is worth clarifying to start with some of the confusion of terms that has grown up in the public discourse around MUP, in which various supposed types of drinkers have been conflated. Terms such as ‘hardened drinkers’, ‘addicts’, ‘alcoholics’, and ‘binge drinkers’ are used largely interchangeably to refer to people whom the observer believes have little or no wish or ability to control their drinking. In reality, these terms encompass a range of people who may consume very different amounts of alcohol, over different periods of time, and for very different reasons; and who may have varying degrees of control over their drinking behaviour.

**2.19** Alcohol-dependent drinkers are in some senses a distinct group, in that they are people who have become physiologically dependent on alcohol as a result of long-term heavy use. They need to regularly consume alcohol in order to avoid physical withdrawal symptoms (which can occasionally cause death), and they should not stop drinking altogether without a medically supervised detox. The number of dependent drinkers in the population is estimated to be 1.4% of adults, or around 36,000 people in Wales.<sup>61</sup>

**2.20** It is possible for dependent drinkers to reduce their alcohol intake, and the experience of alcohol treatment services is that dependent drinkers do adjust their consumption according to supply,<sup>62</sup> but this is only true up to a point. We would therefore argue strongly that in order to be effective, and to avoid potentially dangerous consequences for dependent drinkers, MUP must be accompanied by adequate treatment services to enable people to exit a life of destructive drinking. This should include assertive outreach to engage with the most chaotic drinkers who may not show obvious motivation to drink less.<sup>63</sup> For drinkers who are not physiologically alcohol-dependent, reducing consumption is, perhaps, more straightforward, but we should never underestimate the difficulties faced by those seeking to change their ingrained drinking habits; and again, we will need to ensure that adequate support services are in place.

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<sup>61</sup> Pryce, R. et al. (2017) *Estimates of alcohol dependence in England based on APMS 2014, including estimates of children living in a household with an adult with alcohol dependence: prevalence, trends, and amenability to treatment*, Sheffield, University of Sheffield.

<sup>62</sup> Sherwood Forest Hospitals NHS Trust (2012) *Alcohol: how to reduce your intake safely*, Sutton in Ashfield, Sherwood Forest Hospitals NHS Trust.

<sup>63</sup> Ward, M. and Holmes, M. (2014) *Alcohol Concern’s Blue Light project: working with change-resistant drinkers*, London, Alcohol Concern.

**2.21** The availability of alternative substances to alcohol for alcohol misusers cannot be ignored. The UK Government has recently noted that new psychoactive substances (NPS) “continue to appear rapidly on the market” and that “use among certain groups is problematic, particularly among the homeless population and in prisons”, two populations in which alcohol misuse is also often a serious issue.<sup>64</sup> The Scottish Government has already expressed its intention to commission research into any possible displacement or substitution effects of MUP, including any increase in the use of illicit substances.<sup>65</sup>

**2.22** At present, the question of whether alcohol-dependent drinkers will turn to other substances, or to criminal behaviour in order to obtain alcohol, is as yet unanswered. Encouragingly, a recent analysis of patients with serious alcohol problems at two hospitals in Edinburgh found that whilst “cheapness was quoted commonly as a reason for beverage choice...stealing alcohol or drinking alcohol substitutes was only very rarely reported”. The researchers concluded that fears of such behaviour “may fit a caricature of the alcoholic” but that “a considerable shift in self-concept of this population would have to occur for substantial numbers to fulfil that stereotype”.<sup>66</sup> Similarly, a study in New Zealand of 115 dependent drinkers found that only 2 participants mentioned non-beverage alcohol (such as methylated spirits) as something they had actually consumed, and stealing alcohol was used as a strategy by just 9 people. The research team concluded that “as has been shown in other literature, there is minimal evidence in this group of accessing non-beverage alcohol or of criminal activity to access alcohol when it becomes unaffordable” and that “fears of such behaviours are not valid reasons for rejecting a minimum pricing regime”.<sup>67</sup>

**Contact:** Andrew Misell, [REDACTED], [REDACTED] or [REDACTED]  
Alcohol Concern, 8 Museum Place, Cardiff, CF10 3BG.

*Alcohol Concern is a trading name of Alcohol Research UK, registered charity no. 1140287, company no. 7462605.*

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<sup>64</sup> Home Office (2017) *2017 Drug strategy*, London, Home Office.

<sup>65</sup> op. cit. Scottish Government.

<sup>66</sup> Black, H., et al. (2011) *The price of a drink: levels of consumption and price paid per unit of alcohol by Edinburgh's ill drinkers with a comparison to wider alcohol sales in Scotland*, *Addiction*, 106(4), 729-736.

<sup>67</sup> Faulkner, C. et al. (2015) *The effect of alcohol price on dependent drinkers' alcohol consumption*, *New Zealand Medical Journal*, 18 December 2015, 128(1427):9-17.

**Credwch  
mewn plant  
Believe in  
children**



**Barnardo's  
Cymru**

# **Barnardo's Cymru Legislative Scrutiny Response**

## **Health, Social Care and Sport Committee Scrutiny**

### **Public Health (Minimum Price for Alcohol) (Wales) Bill**

4th December 2017



Barnardo's Cymru Policy and Research Unit  
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[www.barnardos.org.uk/what\\_we\\_do/who\\_we\\_are/wales/wales\\_policy](http://www.barnardos.org.uk/what_we_do/who_we_are/wales/wales_policy)

- **This response may be made public**
  - **This response is on behalf of Barnardo's Cymru**
- 

## **1. Information and working context of Barnardo's Cymru**

Barnardo's Cymru has been working with children, young people and families in Wales for over 100 years and is one of the largest children's charities working in the country. We currently run 86 diverse services across Wales, working in partnership with 16 of the 22 local authorities.

Every one of our services is different, but each believes that every child and young person deserves the best start in life, no matter who they are, what they have done or what they have been through. We use the knowledge gained from our direct work with children to campaign for better child and social care policy and to champion the rights of every child. We believe that with the right help, committed support and a little belief, even the most vulnerable children can turn their lives around. We aim to secure better wellbeing outcomes for more children by providing the support needed to ensure stronger families, safer childhoods and positive futures.

## **Public Health (Minimum Price for Alcohol) (Wales) Bill**

### **2. Response overview**

To inform this response we have sought the opinions of Barnardo's Cymru service managers and team leaders. Consequently this response is informed by the views of Barnardo's Cymru services and will not be repeating or referencing research well known to the committee.

The weight of evidence makes the case for this legislation undeniable; however, as recognised, the positive effects of the legislation are unlikely to make as significant a difference as hoped for in isolation of other measures and approaches.

In short Barnardo's Cymru:

- supports the principle of the Bill
- suggests that approaches to address harmful and hazardous drinking that exists across income groups is required
- would welcome campaigns to address the issues of acceptance within a generally unhealthy drinking culture, and
- would welcome consideration of a stronger children's rights, exploitation and safeguarding focus in the bill



- believes that it will effect a change on the retail purchase of lower cost higher alcohol by volume drinks.

### **3. Service input**

Whilst recognising the issue being addressed by the bill, Barnardo's Cymru services have highlighted a number of issues that will need to be addressed in conjunction with the bill in order to achieve greater change.

#### **Drinking and Children and Young People**

These issues generally fall into two areas, firstly children and young people who drink and secondly those affected by family or parent/carer drinking.

Firstly we must recognise that some young people purchase and drink alcoholic beverages legally and responsibly and as such may be unfairly affected by the bill.

Parents and carers behaviour in relation to alcohol exerts a strong influence on their children's alcohol use. The majority of children and young people understand how to manage alcohol with their parents/carers guidance. This will involve parents taking responsibility for purchasing alcohol for older teenagers as part of managing the quantity and strength of alcohol they drink, by advising on the impact and risks of alcohol and by role modelling safe and responsible drinking for them. All of our services reported that much of the alcohol consumed by children, that they are aware of, is provided by parents, family or is usually available at home. Much of this alcohol would not fall into those categories of drinks affected by minimum unit price and isn't being purchased by the children or young people.

Included in this, however, there were anecdotes relating to families where guidance was unhelpful or misguided and examples of some families providing money to young people without considering the associated risks of how this would be spent.

One team leader with significant experience in substance misuse has reported hearing situations new to her. She reported having met a 15 year old boy who on completion of his domestic chores including walking the dog and cleaning his room is rewarded on a Friday with a bottle of Vodka to share with his mates. The boy thinks this is within good and safe parameters; he has earned the

reward by contributing and he and his mates are not sourcing and consuming in unsafe environments.

The same service reported another 15 year old as having in the region of £400 per month disposable pocket money meaning that alcohol costs were of no particular concern. Both of these boys are from middle income families where parents believe they are acting responsibly.

For many of the children and young people who use substance misuse services because of their own use of substances, it is considered that this legislation will have little effect as alcohol is not usually the drug of choice but one of convenience being utilised if available.

Much is known about the lives of children and young people affected by harmful, hazardous or dependent drinking within the family with significant potential to experience adverse circumstances throughout childhood.

It is also the case that lower income families in general face greater health issues which, when compounded by harmful or hazardous drinking, will make it more likely that the family will suffer the effects of serious ill health and early death.

Barnardo's Cymru supports the intention of this bill to reduce the impact of hazardous and harmful drinking on individuals and that this may have both emotional and practical benefits for the drinker's family.

### **The Bill and Domestic Violence**

This is one of the areas where the weakness of the legislation is most stark. When asked if the bill would help reduce levels of domestic violence, one service manager replied 'That would depend on whether the perpetrator was only violent every time they drank alcohol that was strong and cheap.'

Alcohol generally contributes to experiences, frequency and nature of domestic violence but is not a factor in all circumstances. Domestic violence plays across all income groups leading to the question of what can be done to address equally detrimental effects of alcohol on income groups other than the lowest.

### **Potential for Unintended Negative Consequences**

The responses from Barnardo's Cymru services also highlighted some possible negative impacts. As well as the evident possibility of substituting alcohol with other drugs; services were highlighting the possibility of supplementing family income through prostitution, increases of offending to obtain, increases in exploitation for alcohol and a profitable black market for alcohol.

The legislation could potentially be relatively simple to enforce as this is limited to predominantly licenced and regulated retail activity. There will however inevitably be issues of capacity in trading standards departments to deliver this additional function on much reduced staffing levels.

#### **4. Conclusion**

As stated earlier we find that the case for the legislation is undeniable. As also stated the bill might achieve limited progress towards its aims in isolation of other developments. Services highlighted the need for public health education programmes to address knowledge, understanding and culture. They also made comparisons with changes in tobacco use suggesting further restrictions in advertising, consideration of plain packaging and restricted visibility or access on shelves.

Tim Ruscoe  
December 2017

# Public Health (Minimum Price for Alcohol) (Wales) Bill



Response from The Salvation Army to the Welsh Government's Health and Sports Committee's call for a response on the Public Health (Minimum Price for Alcohol) (Wales) Bill

11 December 2017

## Introduction

The Salvation Army has worked with women and men with problematic substance use since it was founded in the nineteenth-century - and we continue to do so today, offering aftercare and rehabilitation services, psycho-social support, education and training amongst other things. It is in our day-to-day work that we witness first-hand the devastating effect drugs and alcohol dependency can have on individuals, as well as their friends and families.

For this reason we welcome the introduction of this Bill and would like to reiterate our support for a policy of minimum unit pricing (MUP), making the following points:

### 1. The advantages of establishing a minimum alcohol sales price based on a unit of alcohol

There are multiple advantages of introducing MUP, not least as a means of reducing the social harm associated with excessive drinking. Indeed, as a recent study by Sheffield University<sup>1</sup> has highlighted:

- There is a link between the price and availability of alcohol and societal problems: namely, that as alcohol becomes more affordable the number of alcohol-related deaths and hospital admissions increases;
- The number of alcohol-related hospital admissions and deaths increases as levels of social deprivation rise.

We would also add that, as well as coming at a significant financial and human cost, harmful drinking has a further impact on other areas, such as levels of crime and family trauma.

Much to our concern, further studies have cited examples of alcohol being available for as little as 14p per unit and that two cans of 'own brand' lager can be purchased for less than the price of branded Cola.<sup>2</sup> An appropriately set minimum unit price will effectively remove 'cheap' alcohol from the market, which tends to be purchased by harmful drinkers (including young, underage drinkers), with evidence suggesting that the alcohol consumption of the heaviest drinkers will also be affected by price.<sup>3</sup> This research, along with other academic studies, shows that a policy of MUP could not be more warranted.

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<sup>1</sup> Model-based Appraisal of the comparative impact of Minimum Unit pricing and taxing policies in Wales: Interim report - an update to the 50p MUP example (Cardiff: Welsh Government, 2017)

<sup>2</sup> *The Four Steps to Alcohol Misuse*, Alcohol Focus Scotland, Scotland Health Action on Alcohol Problems, Balance, the North East Alcohol Office and Our Life (November 2011)

<sup>3</sup> Model-based Appraisal of the comparative impact of Minimum Unit pricing and taxing policies in Wales

## **2. The disadvantages of establishing a minimum alcohol sales price based on a unit of alcohol**

It has been argued previously that MUP would be against European legislation and that, if passed into law, such a policy will be challenged by the alcohol industry and result in protracted legal battles. However, as the Scottish example has recently shown, such rulings can be overcome - paving the way for the Welsh Government to push on with addressing the practice of selling low cost alcohol and tackling alcohol-related problems.

It has also been postulated that MUP will adversely impact the poorest communities in Wales. The Sheffield University study confirms this will indeed be the case (especially for those drinking harmfully and hazardously).<sup>4</sup> However, through our work with those who are most marginalised and excluded from society, we also know that it is these groups who are most disproportionately affected by alcohol misuse. Indeed, the same study goes on to explain that, according to the Welsh Index of Deprivation (WIMD), those from the most deprived communities are much more likely to be admitted to hospital, or die, as a result of harmful drinking than their better off counterparts. We therefore welcome any intervention that makes a significant difference to the health of a population group which has been difficult to engage in recent years and who, with the introduction of MUP, would have the most health benefits to gain.

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

This is a matter for experts to decide; however it is important that the minimum price set is sufficiently high so as to have an impact on purchasing behaviour. Research by Sheffield University has produced a convincing model measuring the potential impact of MUP on a variety of population groups. The findings indicate that:

- Setting a level of 50p per unit would result in a significant reduction in alcohol-related harms, whilst ensuring alcohol remains affordable for moderate drinkers;
- Alcohol consumption would be reduced across all population groups, with the most significant reduction noticed amongst harmful drinkers from the most deprived areas (a relative change of -25.6%)<sup>5</sup>

Alongside the obvious public health benefits for our population, there would also likely be a significant reduction in alcohol-fuelled crime and disorder, thus improving the safety of our communities. We therefore support a starting position of 50p per unit and would recommend that the MUP is set by secondary legislation, in order that Ministers are able to vary the price as circumstances change.

<sup>4</sup> Model-based Appraisal of the comparative impact of Minimum Unit pricing and taxing policies in Wales

<sup>5</sup> Ibid

#### 4. The rationale behind the use of minimum pricing as an effective tool.

There is a significant body of research on the relationship between the price of alcohol and consumption levels. In one such piece of research the authors concluded:

*“...price affects drinking of all types of beverages, and across the population of drinkers from light drinkers to heavy drinkers. We know of no other preventive intervention to reduce drinking that has the numbers of studies and consistency of effects seen in the literature on alcohol taxes and prices”.*<sup>6</sup>

Further evidence suggests that consumers of alcohol increase their drinking when prices are low, and decrease their consumption when prices rise.<sup>7</sup> Therefore, public health can be protected and improved with the introduction of such a policy lever. This Bill presents a window of opportunity to do just that.

## Conclusion

The introduction of MUP would have untold benefits for both our society and economy. Whilst we accept that the introduction of MUP will not, in itself, resolve Wales’ alcohol-related problems, it is at least a step in the right direction. We see MUP as part of *a range of measures* aimed at improving the health and wellbeing of the Welsh people. And so we will continue to challenge the Welsh Government to invest in social programmes, to support families and create attitudinal change, which will together encourage positive choices about the role of alcohol in our lives.

The problem of alcohol misuse is not unique to Wales. It is a global issue. It is, therefore, positive to see the Welsh Government in the vanguard of countries that are developing innovative national policies to address this seemingly intractable problem. Addressing the price and availability of alcohol through legislation are consistently recognised as effective, public health interventions and we would encourage others to similarly follow suit.

We welcome the opportunity to feed into this consultation and look forward to engaging with further discussions on this matter.

**Major Lynden Gibbs**, Addictions Support Officer, The Salvation Army

**Lee Ball**, Territorial Addictions Officer, The Salvation Army



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<sup>6</sup> Wagenaar, AC, Salios, MJ, Komoro, KA, 'Effects of beverage alcohol price and tax levels on drinking: a meta-analysis of 1003 estimates from 112 studies, *Addiction*, 104, 179-190, society for the study of addiction' (2009)

<sup>7</sup> Barbor, T.F., Caetano, R., Casswell, S., Edwards, G., Giesbrecht, N., Graham, K., Grube, J., Grunewald, P., Hill, L., Holder, H., Homel, R., Osterberg, E., Rehm, J., Room, R., & Rossow, I. 'Alcohol: No Ordinary Commodity – Research and Public Policy' (Oxford and London; Oxford University Press, 2003)



## Supplementary evidence from Christopher Snowdon, Institute of Economic Affairs

The committee asked me to provide evidence that alcohol and drugs can be substitute goods. Here are a few studies showing this...

1. <http://www.sciencedirect.com/science/article/pii/S0165176505002016> This study finds that cannabis is a substitute for alcohol, with alcohol consumption declining when cannabis is legalised.
2. <http://www.nber.org/papers/w4212> This study looks at minimum purchase laws for alcohol and concludes: "We find that increases in the minimum drinking age did reduce the prevalence of alcohol consumption. We also find, however, that increased legal minimum drinking ages had the unintended consequence of increasing the prevalence of marijuana consumption."
3. <http://www.nber.org/papers/w4662> This study looks at youth consumption of cannabis and alcohol and finds that "successful marijuana related efforts in the 'War on Drugs', which can be expected to reduce the supply of marijuana and, hence, increase its price will not only lead to less marijuana consumption, but will have the unintended consequence of raising alcohol consumption".
4. <http://www.journals.uchicago.edu/doi/abs/10.1086/668812> This US study looks at medical marijuana legalisation and finds that it leads to fewer alcohol-related traffic fatalities, suggesting lower rates of binge-drinking. (Note that the alcohol industry in the US lobbies against marijuana liberalisation. This study also finds that alcohol prices fell when medical marijuana was legalised which, as the authors note, "marijuana and alcohol are substitutes". Both these facts suggest that drinks companies are well aware that cannabis is a rival product.)
5. <https://www.ncbi.nlm.nih.gov/pubmed/15380293> This study found that amphetamines were a substitute for alcohol and that cocaine & ecstasy were complements.
6. <https://www.ncbi.nlm.nih.gov/pubmed/18201842> This study found that alcohol was a substitute for cocaine, amphetamine and cannabis.
7. <https://academic.oup.com/ialcalc/article/45/5/403/184976> Finally, this study contains a useful review of the evidence and links to other studies. "While alcohol is the most heavily consumed intoxicant worldwide and the volume of harms attributable to alcohol use are considerable, it is fallacious to presume that consumers do not have a choice of intoxicant and are not willing to substitute and complement substances in order to achieve intoxication... Policies aimed at reducing alcohol consumption can be successful. However, evidence suggests a significant minority of consumers are likely to substitute or complement consumption with a range of intoxicants suggesting that policy is unlikely to reduce all-cause mortality and morbidity."

That study also mentions the experience in Russia which is relevant to minimum pricing: "The rapid increase in the alcohol price in Russia motivated consumers to substitute licit alcohol with illicit alcohol, likely exposing themselves to similar levels of harm and possibly greater harm and, critically, placing themselves outside of further policy-level interventions."



I was also asked about the price of drug Spice. Here are DrugWise's latest estimates of drug prices in the UK: <http://www.drugwise.org.uk/how-much-do-drugs-cost/>

**Mark Drakeford AM/AC**  
Ysgrifennydd y Cabinet dros  
Gyllid Cabinet Secretary for  
Finance

Ein cyf/Our ref

Simon Thomas AM  
Chair  
Finance Committee  
National Assembly for Wales  
Cardiff Bay  
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CF99 1NA

4 December 2017

Dear Simon

Further to my letter dated 22 November, I enclose a copy of the restated draft Budget 2018-19 Main Expenditure Group (MEG) BEL tables reflecting the new portfolio structures. The tables will be available from the following link on the Welsh Government's website from 2pm today.

<http://gov.wales/funding/budget/draft-budget-2018-19/?lang=en>

As I stated previously this is a purely administrative exercise to regularise changes to the new structures and Ministerial portfolios.

I am copying this letter to the Chairs of the policy committees.



**Mark Drakeford AM/AC**  
Ysgrifennydd y Cabinet dros Gyllid  
Cabinet Secretary for Finance

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Canadian Institute for Substance Use Research  
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December 5, 2017

Dr Dai Lloyd  
Chair, Health, Social Care and Sport Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff, CF99 1NA

Dear Dr Lloyd,

Re: Canadian evidence examining associations between minimum price changes and levels of alcohol related harm

Please find enclosed/attached some copies of published papers on this topic. These papers focus primarily on British Columbia where my research base is located. Please note that minimum prices have been in operation here for at least 30 years. They have not kept pace with inflation and have only occasionally been adjusted. Our research has examined short and longer term impacts each time a minimum price for a particular beverage is increased. Alcohol industry critics of our research have pointed out that over much of the period we look at, alcohol consumption and related harm has increased despite our having minimum pricing. This criticism indicates a complete lack of understanding of what our research achieved as we simply demonstrated an inverse association between price and harms – for most of the time the value of minimum pricing has declined in British Columbia resulting in increased consumption and related harm. This research was primarily funded by a peer reviewed grant I obtained with a team of other researchers from the US and UK from the Canadian Institutes of Health Research. We also published three papers examining the experience of Saskatchewan where there was an especially sudden change in minimum pricing policy that presented more a clear-cut natural policy experiment. Note that this resulted in estimates of higher impacts on alcohol consumption than in British Columbia.

Please find below a list of the papers (from oldest to newest) provided with comments (\*\*) about their contribution.

1. Hill-McManus, D., Brennan, A., Stockwell, T., Giesbrecht, N., Thomas, G., Zhao, J., Martin, G. and Wettlaufer, A. (2012) Model-based appraisal of alcohol minimum pricing in Ontario and British Columbia: A Canadian adaptation of the Sheffield Alcohol Policy Model Version 2. Technical Report, Centre for Addictions Research of BC, University of Victoria, British Columbia, Canada. See: Services Society by the Centre for Addictions Research of BC, University of Victoria, BC.

<https://www.uvic.ca/research/centres/cisur/assets/docs/report-appraisal-alcohol-minimum-pricing.pdf>

\*\* The Sheffield University modelling team collaborated with us to generate estimates of the potential benefits of introducing minimum unit pricing into Canadian provinces. Of note is that their estimates are highly conservative in comparison with the empirically derived estimates of actual impacts each time minimum price rates have been adjusted in British Columbia.



2. Stockwell T, Auld MC, Zhao JH, Martin G. (2012) Does minimum pricing reduce alcohol consumption? The experience of a Canadian province. *Addiction*, 107(5): 912-20.  
<http://onlinelibrary.wiley.com/doi/10.1111/j.1360-0443.2011.03763.x/epdf>

\*\* This paper examined a long time series of precise alcohol sales data for different beverage types across 89 areas of British Columbia to examine how this changed each time the minimum price of a particular beverage increased. Note that the overall trend in consumption is both up and down, more recently it has been up reflecting increasing privatization of the liquor market in this province. Nonetheless significant and measurable downward impacts on consumption are detected each time the minimum price increases in real terms. On average, a 10% change in minimum price is associated with an opposite effect on per capita consumption of 3.4%.

3. Stockwell, T., Zhao, J., Martin Stockwell T, Zhao J, Giesbrecht N, Macdonald S, Thomas G, Wettlaufer A. (2012). The raising of minimum alcohol prices in Saskatchewan, Canada: impacts on consumption and implications for public health. *American Journal of Public Health*. 102(12): e103-10, <http://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2012.301094>.

\*\* This paper documents a sudden impact on consumption when a policy quite similar to Minimum Unit Pricing is introduced overnight. A 10% change in average minimum pricing was associated with an opposite effect on per capita consumption of 8.4%. Consumers also shifted to lower strength beer and wine. The government owned alcohol distributor collected more revenue after the policy was introduced.

4. Stockwell, T., Zhao, J., Martin, G., Macdonald, S., Vallance, K., Treno, A., Ponicki, W., Tu, A. & Buxton, J. (2013). Misleading UK alcohol industry criticism of Canadian research on minimum pricing. *Addiction*, 108(6) 1172 <http://onlinelibrary.wiley.com/doi/10.1111/add.12178/pdf>.

\*\* This paper explains how industry criticisms of our research were deliberately misleading and did not reflect the methods we used or conclusions reached.

5. Zhao, J., Stockwell, T., Martin, G., Macdonald, S., Vallance, K., Treno, A., Ponicki, W., Tu, A. and Buxton, J. (2013). The relationship between changes to minimum alcohol price, outlet densities and alcohol-related death in British Columbia, 2002-2009. *Addiction*, 108(6) 1059-1069  
URL:<http://onlinelibrary.wiley.com/doi/10.1111/add.12139/pdf>. Accessed: 2013-02-27.  
(Archived by WebCite® at <http://www.webcitation.org/6EkhRcmAX>).

\*\* A large and immediate effect was detected in relation to changes in average minimum pricing having opposite effects on 100% alcohol caused deaths across 89 local areas of BC. A delayed impact after three or four years was also detected on alcohol-related diseases following changes in minimum price rates.

6. Stockwell, T., Zhao, J., Martin, G., Macdonald, S., Vallance, K., Treno, A., Ponicki, W., Tu, A., & Buxton, J. (2013). Minimum alcohol prices and outlet densities in British Columbia, Canada: Estimated impacts on alcohol-attributable hospital admissions. *American Journal of Public Health*, 103(11) 2014-2020.  
<http://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2013.301289>

\*\* A significant association was found between changes in average minimum prices in BC and opposite effects on rates of acute alcohol-related hospital admissions (i.e. injuries, poisonings). Similar to Zhao et al (2013) an association was also found between changes in average minimum price and opposite changes in rates of alcohol-related diseases.

7. Stockwell, T. (2014). Minimum unit pricing for alcohol. *British Medical Journal*, 349:g5617. <http://www.bmj.com/content/349/bmj.g5617>

\*\* This paper is a high-level commentary and makes reference to likely reasons multinational alcohol companies oppose minimum pricing even though it guarantees increased profits to high-profile producers such as those represented by the Scotch Whiskey Association.

8. Stockwell, T., Zhao, J., Marzell, M., Gruenewald, P., Macdonald, S., Ponicki, W. & Martin, G. (2015). Relationships between minimum alcohol pricing and crime during the partial privatization of a Canadian government alcohol monopoly. *Journal of*



*Studies on Alcohol and Drugs*, 76(4), 628-634.

<http://www.jsad.com/doi/abs/10.15288/jsad.2015.76.628>

\*\* Large and inverse associations were reported between average minimum alcohol pricing and some crimes. The estimates have wide confidence intervals. The direction of the relationship is more certain than its estimated level.

9. Stockwell, T., Zhao, J., Sherk, A., Callaghan, R., Macdonald, S., & Gatley, J. (2017). Assessing the impacts of Saskatchewan's minimum alcohol pricing regulations on alcohol-related crime. *Drug and Alcohol Review*, 36, 492–501. <http://onlinelibrary.wiley.com/doi/10.1111/dar.12471/epdf>

\*\* Some short-term and delayed impacts detected on Saskatchewan crime rates following the major overhaul in minimum pricing in that province in 2010.

10. Thompson, K., Stockwell, T., Wettlaufer, A., Giesbrecht, N. & Thomas, G. (2017). Minimum Alcohol Pricing Policies in Practice: A Critical Examination of Implementation in Canada. *Journal of Public Health Policy*, 38 (1): 39-57. <https://link.springer.com/content/pdf/10.1057%2Fs41271-016-0051-y.pdf>

\*\* This paper describes the diversity of how minimum pricing is applied in liquor stores and bars across Canada's 10 provinces. Wide differences are reported in terms of how comprehensive the minimum prices are, whether they are applied to bars and/or liquor stores, the level that is set and whether they are indexed to the cost of living.

11. Zhao, J., & Stockwell, T. (2017). The impacts of minimum alcohol pricing on alcohol attributable morbidity in regions of British Columbia, Canada with low, medium and high mean family income. *Addiction*, 112, 1942-1951. <http://onlinelibrary.wiley.com/doi/10.1111/add.13902/epdf>

\*\* This paper explores relationships previously reported in study #6 above for different regions of British Columbia divided according to average household income. Larger and more significant associations are mostly found for lower income regions. It is concluded that minimum pricing as an effective method for reducing health inequalities.

Please do not hesitate to ask if you would like more information discussion of these published findings.

Sincerely,



Tim Stockwell, PhD, FCAHS, MA (Oxon.), M.Sc.  
Director, Canadian Institute for Substance Use Research  
Professor, Department of Psychology  
University Victoria



## Health, Social Care and Sport Committee – Public Health (Minimum Price for Alcohol) (Wales) Bill

### Background

As part of the **Health, Social Care and Sport Committee's** scrutiny of the Public Health (Minimum Price for Alcohol) (Wales) Bill, the National Assembly's Outreach Team has held a series of focus groups across Wales in order to capture the views and experiences of a cross-section of people.

Contributions were gathered from young people, school pupils, college and university students, homeless people, frontline staff and service users. The focus groups enabled the Outreach Team to gather the views of those most likely to be affected by the Bill, to capture opinions on its effectiveness, and any alternatives that could achieve the objectives of the Bill. Views were received from a mix of people, ranging from those who are teetotal to those with alcohol addiction issues. Participants were sourced through contacts developed by the Assembly and those provided by third sector groups.

The Outreach Team held 9 sessions across Wales with written information provided by one other organisation which was unavailable for a focus group session. The team engaged with groups from Anglesey, Cardiff, Carmarthenshire, Conwy, Pembrokeshire, Powys, Swansea and Wrexham. The views of 94 participants have been captured and summarised into key themes.

### Format

Participants were given background information, a brief overview of the Bill and a description of the type of alcohol the Bill is likely to effect, before being asked the following questions:

- Do you buy this type of alcohol? – If yes, why? If no, why?
- If this type of alcohol becomes more expensive, how would this change the type and amount of alcohol that you buy?
- If it won't change the type and amount of alcohol that you buy, how will the increase in price affect you?

- The aim of the Bill is to improve and protect the health of people in Wales. Do you think the Bill will have a positive or negative impact on your health and why?

## Summary of key themes and contributions

### 1. Cost

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*"...although I'll still drink daily, it will probably mean that I won't be able to afford white cider, so I'll switch to the next cheapest drink, which will probably be 'better' for me"*

- Person with alcohol addiction, Cardiff

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The introduction of a minimum price for alcohol will have the greatest affect on people from lower socio-economic backgrounds, according to participants. Homeless people, those on low incomes and those with alcohol addiction issues were identified as most likely to be affected by the proposals by all participants. Others believed that the proposed legislation unfairly punished responsible drinkers. Cost was a theme which was discussed extensively at all focus groups.

When asked how the increase in price will affect them, the majority of participants, particularly young people and students, said they would not make any adjustments to the type of alcohol they currently buy, and would simply make sacrifices elsewhere in their budget. This would mean they would be unable to afford healthy food and drink. They also said they would be at greater risk of getting into debt.

Some young people explained that instead of giving up alcohol completely, they would simply drink a slightly more expensive alcohol, if their financial situation allows.

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*"I don't buy the kind of high-strength, low price alcohol the Bill is targeting so I'll be unaffected by it"*

- Young person, Carmarthenshire

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Crossing the border to England was also considered an option for some, if a minimum price for alcohol is introduced in Wales. Participants also commented that the Bill risked creating a black market with high-percentage, home-made alcohol being consumed more frequently.

### 2. Drug-use



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*“You can buy a bottle of vodka for £15 but you can get a pill for £7 – £10, and its effect will last all night”*

– College student, Conwy

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All participants believed that introducing a minimum price for alcohol would drive some people who drink alcohol to turn to drugs, which were perceived as cheaper. ‘Pills’ and ‘weed’ were cited as examples and participants explained that this could lead to complex and acute addiction issues, which would be more resource-intensive for the NHS.

Some participants also commented that introducing a minimum price for alcohol may push some people on low incomes or with pre-existing addiction issues to sniff glue or paint thinner.

### 3. Addiction

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*“Increasing the price of alcohol will not do anything to tackle alcoholism”*

– College student, Swansea

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A common theme that emerged during discussions was the risk that introducing a minimum price for alcohol would drive those with alcohol addiction issues to appease their addiction in other, potentially more harmful, ways. A participant with alcohol addiction was of the view that people with severe alcohol addiction would look to satisfy their need by consuming household products with alcohol content, such as hand sanitizer.

As such, participants felt that the proposals, if introduced in their current form, would be counter-productive. Staff at a homeless centre said that treatment for alcohol addiction will be substituted for drug addiction treatment or potentially, the treatment of illnesses/side-effects suffered as a result of ingesting products not meant for human consumption, but which have alcohol content.

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*“I agree that the price of alcohol should be raised, but this should be introduced as a tax, with the money being used to support those with alcohol addiction issues”*

– School pupil, Anglesey

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A number of participants believed the proposed legislation will force many people with alcohol addiction issues who are homeless or on low income to “go cold turkey”. The dangers of rapid alcohol withdrawal for those with addiction issues was highlighted as a key concern, and can result in seizures, or in the worst cases, death.

#### 4. Crime

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*“Increasing the price of alcohol won’t change the drinking culture but may lead to more anti-social behaviour like stealing”*

– College student, Swansea

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Every group raised the issue of an increase in crime, particularly theft, as a ramification of the proposed legislation. Some participants also explained that sex workers often undertake the work in exchange for alcohol and/or drugs instead of money. The proposals are also likely to increase the number of people who beg and the length of time they beg for, according to staff at a homeless centre.

Participants were of the view that introducing a minimum price for alcohol would exacerbate this situation.

#### 5. Branded alcoholic drinks

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*“People will move towards branded products. It may lead to the re-distributing of profit within the industry. We tend to go for brands such as Smirnoff and not the supermarket ‘own brands’, because of the taste”*

– College student, Conwy

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Introducing a minimum price for alcohol would reduce profits for supermarket ‘own brands’ such as Tesco Everyday Value. However, some university students were of the view that profits will increase for well-established, specialist brands such as Smirnoff and Budweiser who have the expertise and resources to introduce sophisticated marketing strategies to counter the proposed legislation.

It may also allow these brands to create their own ‘everyday value’ drinks which would create better economies of scale and a more diverse customer pool. Young people and students said that long-established, specialist brands are more attractive than supermarket own brands and the proposed legislation would not therefore change the type or amount of alcohol they drink.



## 6. International comparisons

Whilst many participants understood and admired the intention of the Bill, they considered the proposals *“too extreme”*. One young person referred to the situation in Australia and said that introducing measures that would prevent alcohol being served after 10:00pm and/or restricting the amount of alcohol that can be purchased in a day would be more effective.

Other participants drew comparisons with India and Russia, which have introduced a minimum price for alcohol. However, the unintended consequence of this was home brewing and the creation of a black market.

### Alternatives to the current proposals

#### 1. Education

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*“...the government has not really tried any of the alternative ways of tackling the underlying issue. Restricting people’s freedom should always be the last resort for government when trying to solve social problems”*

– University student, Cardiff

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Some participants were of the view that there should be greater focus on educating the citizens of Wales about the risks associated with irresponsible drinking.

Many considered the proposed legislation as too drastic and prohibitionist in nature. Creating an alcohol awareness campaign was mooted as a more effective way of tackling the underlying issue. Some young people commented that educating citizens about responsible drinking and the dangers associated with alcohol should be similar to the level of education school pupils currently receive on sex.

Including visible and impactful health warnings on alcohol products and disguising them in shops, in the same way as cigarettes, was suggested as an alternative to legislation. Participants said that this approach would yield greater benefits for the public health of citizens in the long run, much in the same way as the smoking ban. Future generations would *“not bat an eyelid”* because they will not know any different.

#### 2. Treatment for alcohol addiction



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*“I suffer from cirrhosis of the liver and was given two years to live by my doctor. Even though I was considered a ‘serious case’, I still haven’t started the detox programme. It will be 9 months between receiving the news from my doctor and starting the detox programme”*

Person with alcohol addiction, Cardiff

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Improving the alcohol addiction and detox referral process was identified as an area of great concern, particularly by those with alcohol addiction issues. Some participants do not believe the current process is fit for purpose and said that resources should be focused on treatment instead of introducing legislation.

Participants explained that people with addiction issues often lead chaotic lives and find it difficult to attend or keep track of appointments. Failing to attend an appointment, arriving late or arriving intoxicated often means that the process by which someone is referred to a detox programme is suspended. The vast majority of participants said that support for those with alcohol addiction issues should be greater.

**We would like to thank everyone who participated in these focus groups and who contributed information in writing, for sharing their views with us. Thank you also to the organisations who worked with us to gather these views and experiences:**

Cardiff University’s Students for Liberty

Carmarthenshire Youth Support Service

Coleg Llandrillo

Gower College Swansea

Huggard Centre

Newtown High School

Pembrokeshire Care Society

Tŷ Croeso – The Wallich

Ysgol Gyfun Gymraeg Bryntawe

Ysgol Uwchradd Bodedern



# Agenda Item 7

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted