

Vaughan Gething AC/AM
Ysgrifennydd y Cabinet dros Iechyd a Gwasanaethau
Cymdeithasol
Cabinet Secretary for Health and Social Services



Llywodraeth Cymru
Welsh Government

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Simon Thomas AM
Chair
Finance Committee

21 December 2017

Dear Simon

Thank you for your letter of 12 December which outlines the areas on which I agreed to provide further information during my recent attendance at Finance Committee on 7 December.

The full report by the University of Sheffield will include an analysis of the modelled impacts of different minimum unit prices (ranging in 5p increments from 35p to 70p) and an analysis of the wider impacts of introducing a minimum unit price, including impacts on workplace absences and crime.

It will also include a comparison of the proportional increase in alcohol duty which would be required to achieve the same reduction in alcohol consumption and alcohol-attributable deaths among hazardous and harmful drinkers as an example MUP. As I mentioned during my evidence to the committee, the planned publication date for this report is now February 2018.

Both my officials – in a technical briefing about the Public Health (Minimum Price for Alcohol) (Wales) Bill to the Health, Social Care and Sport Committee on 25 October – and I had indicated, in a letter to that committee on 14 November, that the original intention had been for the full report to be available in January 2018. However, there has been a delay in obtaining data from the Ministry of Justice, which is used to inform the modelled impacts of introducing a minimum unit price on crime.

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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.

My officials had been expecting to receive the Ministry of Justice data in October, but it was only received by the Welsh Government on 6 December. As a result, there has been a subsequent delay in the University of Sheffield being able to update this element of its modelling and analysis.

The University of Sheffield published its interim report on 29 November. This provides an update to the 50p MUP example used in its 2014 report and which is included in the Bill's explanatory memorandum. The additional data from the full report, while clearly important in terms of the scrutiny of the Bill itself, will be particularly relevant to the setting of the actual level of the MUP, should the National Assembly pass this legislation.

However, I appreciate your concerns about how the timetable for the publication of the University of Sheffield's full report fits with the committee's stage one reporting deadline; I will ensure my officials keep all committees involved in the Bill's scrutiny updated. I will share the full report at the earliest opportunity.

Following my attendance at the Finance Committee, I also agreed to provide additional information about a number of other matters.

Details of the peer review conducted on the approach to assessing uncertainty used in the Sheffield University modelling

You asked for further details of the peer review of the Sheffield Alcohol Policy Model and its approach to assessing uncertainty. The approach taken to scenario/sensitivity analysis is recommended by the UK Treasury's Green Book and is not unique to this model. In most cases, the peer review of the Sheffield modelling work has been undertaken anonymously, as is standard for peer review of journal articles for publication. However, the papers based on the Sheffield Alcohol Policy Model have been published in a number of different journals across different fields, including journals such as *The Lancet* (twice), the *BMJ* and *PLOS Medicine*. The Sheffield model and approach will have been peer reviewed by leading economists, epidemiologists, health economists and public health experts. The reports by the University of Sheffield for the National Institute for Health and Care Excellence (NICE), the Department for Health and Public Health England have also been independently reviewed. The University of Sheffield has also established expert steering groups for individual research projects – the most notable of these was for the Interdisciplinary Alcohol Research Programme. The steering group (with which the University of Sheffield discussed key modelling decisions) included the following experts in alcohol policy and epidemiology: Paul Gruenewald, Peter Miller, Bill Ponicki, Robin Room, Tim Stockwell, Alex Wagenaar, Clare Beeston, Joanna Shapland, Gerhard Gmel and Juergen Rehm.

The explanatory memorandum produced for the Bill has also been independently peer-reviewed by two academics.

Information about the funding allocated to raise awareness of the minimum unit price

The Welsh Government fully recognises the importance of investing in communications to raise awareness of the requirements of the legislation, ahead of its implementation.

Learning from our experiences of implementing previous, comparable legislation, we need to build momentum and ensure compliance among retailers from the outset.

The Regulatory Impact Assessment for the Bill identifies £100,000 for communications (see table nine). Specifically, paragraph 303 notes: "There will be a need for a strong focus on communicating the requirements of the legislation, particularly during the first few months of implementation. This includes publicising the change to businesses, for example via direct mail, websites, social media and trade publications, at an estimated cost of £80,000, and to the public, for example via a PR campaign, launch event and web and social media, at an estimated cost of £20,000."

Meeting between Welsh Government and UK Government officials, particularly in relation to any impact on the fiscal framework

Welsh Government officials met Home Office officials on 19 December. Discussions are ongoing about any impacts on the fiscal framework and I will write to the Finance Committee about this matter in the New Year.

Discussions with the Welsh Retail Consortium regarding the committee's query about whether MUP should be accompanied by a voluntary levy

My officials are due to meet with representatives from the Welsh Retail Consortium early in the New Year and will report back to the committee in relation to discussions about this idea. However, there are recognised challenges, including uncertainties around potential increases in revenue for retailers and where in the supply chain these might fall. This will be kept under review.

Costs associated with additional inspection and enforcement activities by local authorities.

My officials have been working closely with the WLGA; the Directors of Public Protection in Wales and the Welsh Heads of Trading Standards to ensure the inspection and enforcement activities associated with the Bill's implementation are appropriately resourced.

The explanatory memorandum highlights that £150,000 will be needed in the first year of implementing the Bill, with £100,000 in the second year and £50,000 in the third year to resource inspection and enforcement activities over and above what would be happening anyway, as part of existing inspection regimes involving premises supplying alcohol. Discussions between officials and Trading Standards are currently ongoing about the most appropriate expenditure profile within the three-year allocation (2019-2022) of £300,000.

This will ensure we have the most effective inspection regime by targeting enforcement at the right time in the implementation of the legislation. I will write to the committee with further details about how the funding will be profiled within the overall allocation of £300,000 once this has been formally agreed.

Yours sincerely

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive style with a small dot above the 'i' in "Gething".

Vaughan Gething AC/AM

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