Briefing paper on Alcohol Minimum Unit Pricing in Scotland

In this briefing paper, we explain:

1. The background and context to the introduction of MUP legislation
2. Why MUP is the right response and how it will work
3. How MUP fits with the laws and priorities of the European Union

1. The background and context to the introduction of MUP legislation

Development of the Minimum Price concept.

Scottish Health Action on Alcohol Problems (SHAAP), an advocacy group established by the Medical Royal Colleges in Scotland, produced a report on alcohol pricing (SHAAP 2007) which identified Minimum Unit Price as its preferred mechanism for tackling the alarming upward trends in alcohol related health harm and mortality in Scotland since the early 1990's. SHAAP favoured MUP because it offers a reliable mechanism of price control focused on the patterns of alcohol consumption most associated with harm. SHAAP also advocated other measures such as alcohol screening and brief intervention and development of alcohol treatment services and these were adopted by the Scottish Government into a major consultation paper (Scottish Government 2008), which explicitly recommended a whole population approach toward reducing alcohol problems.

A period of political debate followed with all significant health organizations in Scotland strongly supporting MUP and the Minimum Price Bill was passed without opposition in the Scottish Parliament in May 2012. The Northern Ireland and Welsh government have also supported MUP and legislation is now planned in Northern Ireland. In March 2012, the UK government announced support for Minimum Unit Price in its new alcohol strategy (Home Office 2012).

The concern about alcohol harms in the UK has been driven by increases in measures of harm which are out of step with the rest of Western Europe and other countries such as Australia, New Zealand and Canada, whose drinking styles were historically similar to the UK. SHAAP's view has been that this has been caused by particular circumstances in the UK alcohol market.

Current legal position

The Scottish Parliament approved the Alcohol (Minimum Pricing) (Scotland) Bill on Thursday 24th May 2012 and the United Kingdom notified the European Commission that Scotland intends to introduce minimum unit pricing in accordance with EU legislation (Directive 98/34/EC, as amended by Directive 98/48/EC). The Government has announced that the initial MUP will be 50p (0.63 euro) per unit (8g or 10mls) alcohol. There is a commitment to

review the outcomes and to withdraw MUP if it is ineffective. Member states are obliged to notify the Commission on draft national technical regulations relating to all products. The UK has submitted its proposal to Technical Regulations Information System. Concerned stakeholders and Member States have until 26th September to share their concerns or grievances about the proposed minimum pricing initiative. It is understood that to date, around 20 global alcohol producers have submitted their objections in writing to EU officials and Member States. We expect that the objections raised by the large alcohol producers and retailers in Europe will be the same as they raised in the debate in Scotland. It is important to note that in addition to universal support from health organisations, MUP has been supported by many small and some large producers and by pub organisations whose business have been affected by the consolidation within the industry and the price driven shift from pub/cafe to home drinking in the UK.

Harms to Public Health caused by Alcohol

Europe

The protection of human health is guaranteed in domestic, international and EU legal systems. The policy of minimum unit pricing falls within the category of those measures which require commercial interests to give way to public health considerations. Implementing effective alcohol policies in Europe is very important given the substantial burden of harm caused by alcohol. Alcohol is the world's number one risk factor for ill health and premature death among the 25-59 year old age group and Europe is the heaviest drinking region in the world. Alcohol has been causally implicated in more than 60 diseases, including cancers and cardiovascular disease (World Health Organisation 2011). Alcohol consumption levels in some countries in Europe are around 2.5 times higher than the global average (World Health Organisation 2009).

The UK

According to the UK government Alcohol Strategy 2012 (Home Office 2012), in 2010-11 there were almost one million alcohol-related violent crimes and 1.2 million alcohol-related hospital admissions in 2010/11. The strategy also states that levels of binge drinking among 15-16 year olds in the UK compare poorly with many other European countries and that alcohol is one of the three biggest lifestyle risk factors for disease and death in the UK (after smoking and obesity). Alcohol-related harm is now estimated to cost the UK £21 billion annually. The UK government estimates that in a community of 100,000 people, each year:

- 2,000 people will be admitted to hospital with an alcohol-related condition;
- 1,000 people will be a victim of alcohol-related violent crime;
- Over 400 11-15 year olds will be drinking weekly;
- Over 13,000 people will binge-drink;
- Over 21,500 people will be regularly drinking above the lower-risk levels;
- Over 3,000 will be showing some signs of alcohol dependence; and
- Over 500 will be moderately or severely dependent on alcohol.

Scotland

Scotland has even more pronounced problems than the rest of the UK (Scottish Government 2009). While the alarming rise from the early 1990s has now stabilised, alcohol-related harm in Scotland continues to be at historically high levels with alcohol-related deaths more than doubling since the 1980s and alcohol-related hospital discharges more than quadrupling since the early 1980s. There were over 40,000 hospital discharges in 2007 and alcohol related mortality has more than doubled in the last 15 years. In addition, Scotland has one of

the fastest growing rates of liver disease and cirrhosis in the world. There are substantial Health Inequalities in Scotland. The Scottish Chief Medical Officer (CMO) has highlighted alcohol as a major influence in this and has supported minimum price, as have the CMOs in the rest of the UK. The Scottish government (2009) estimates that alcohol misuse costs Scotland £2.25 billion every year.

2. Why MUP is the right response and how it will work

The growing affordability of alcohol

A number of factors have combined in the UK to increase the affordability of alcohol. A process of industrialisation, globalisation and consolidation of alcohol production in recent decades has resulted in higher volumes of alcohol being produced at a much lower unit cost, with large sums of money being invested in the promotion and marketing of alcohol brands. Over the same timeframe there has been substantial deregulation of the alcohol market in Britain with the liberalisation of licensing legislation leading to increased availability. Alcohol has become a key commodity for UK supermarkets who have been found to use alcohol as a "loss leader" which attracts business and profit is made on other goods. As supermarket prices fell, consumption moved from pubs to the home and many specialist alcohol stores have closed. In clinical practice, doctors in Scotland have noted a shift towards patients drinking at home and consuming higher levels with resultant damaging health effects.

Minimum Unit Pricing (MUP)

While all parts of the alcohol industry state a commitment to encouraging "responsible drinking" it's clear that the self-regulation approach favoured in the UK has failed. The Public Health consequences of this mean that there is now a need for regulation of this market, including the introduction of minimum pricing. Regulation of the production and sale of alcohol is a long established function of government. The best policy options for regulating the price of alcohol will be those that work most effectively to reduce problem consumption and harm. Minimum Unit Pricing (MUP) is such an option.

The Scottish government has now introduced legislation to set a minimum alcohol unit price of 50p. The UK and Northern Ireland governments have also signalled their intentions to introduce a minimum price, though they have not as yet stated what this price will be, their discussions have been on an MUP of 40-50p per unit of alcohol (0.50-0.63 euro per 8G or 10ml alcohol).

Will it be effective?

Controls on price and availability have been identified by the World Health Organisation (World Health Organisation Europe 2011), the most effective measures that governments can implement to reduce the harm caused by alcohol

> Of all alcohol policy measures, the evidence is strongest for the impact of alcohol prices as an incentive to reduce heavy drinking occasions and regular harmful drinking. The health gains are greatest for heavier drinkers and there are also considerable gains in the well-being of people exposed to the heavy drinking of others.

The British Medical Association (BMA Board of Science 2012) has produced a recent briefing on MUP. Among its conclusions were:

- Available research and modelling suggests that a minimum price per unit is the most effective of all available price-related policy options for reducing alcohol-related harm, and will prevent the deep discounting of alcohol.
- Modelling has found that increasing the level of a minimum price per unit leads to steep reductions in alcohol consumption and related harms.
- A minimum price for the sale of alcohol should be set at no less than 50p per unit, and this should be kept under review to ensure alcohol does not become more affordable over time.

As MUP is a relatively new policy measure, the estimates of the potential health gains come primarily from econometric modelling studies. Modelling the effects of a policy is a recognised tool that is used regularly by governments to estimate the effects of new policies. For example, modelling was used to estimate the effects of a minimum wage prior to the adoption of the policy. In a peer reviewed and highly regarded modelling study undertaken by academics at the University of Sheffield for the Scottish Government, it was estimated that establishing a minimum price of 50p (the MUP that is being proposed by the Scottish Government) would save 60 lives in its first year of operation, rising to 300 lives per year after 10 years (University of Sheffield 2012)**.**

In addition to the evidence derived from Sheffield University's modelling study, new empirical evidence from Canada shows that MUP has reduced alcohol consumption by between 3% - 5% (Stockwell, T. et al. 2011). A combination of the significant evidence base linking alcohol price, consumption and harm; the growing interest in implementing a pricing measure that specifically targets the cheapest products; and concerns that retailers do not always pass on duty increases, has resulted in governments in a number of jurisdictions actively exploring MUP. In addition to the UK's national and devolved governments, other governments currently considering MUP include the Republic of Ireland, Australia and New Zealand.

The modelling undertaken by the University of Sheffield showed that hazardous and harmful drinkers *would* be impacted more than those who drink modestly. Harmful drinkers are estimated to reduce their consumption by 10.5%. This means that if someone is drinking more than 50 units a week then the absolute reduction will be such that it makes a substantial reduction to their risk of health harms. In the UK moderate drinkers are much less likely to consume the cheapest alcohol and the impact on their consumption and expenditure will be modest.

In the debate in Scotland, one objection to Minimum Price was that heavy drinkers, including those with features of dependence, would not change their drinking in response to price changes. This misunderstands the nature of dependence. Heavy drinkers are very aware of the price of their alcohol and make purchasing decisions based on this. There is extensive empirical and clinical evidence that such drinkers do reduce their consumption, for instance when their income falls. This reduction can be limited because of the process of substitution of cheaper drinks, and one of the attractions of MUP for Doctors in Scotland is that MUP reduces the opportunities for this substitution and will result in a greater reduction in consumption.

3. How MUP fits with the laws and priorities of the European Union

There is a strong evidence base for the public health purpose and benefits of MUP. Domestic, international and EU law allow for the enactment of measures which promote public health. The EU legal order attaches high importance to the protection of public health. Public Health is protected in a number of ways including application of exemption in Treaty Articles (including Article 36 TFEU), the Charter of Fundamental Rights and Freedoms (particularly Article 35), and fundamental principles such as the protective principle.

Minimum Unit Pricing of Alcohol is an example of a measure where the protection of human health takes precedence under EU law over economic interests.

The European Commission has stated on several occasions in the past year that EU rules governing alcohol taxation do not prohibit Member States from setting minimum retail prices for alcoholic beverages. In response to a written question from Dr Charles Tannock MEP on the legality of minimum pricing for alcohol, a representative of the European Commission stated in May 2010:

> The Commission fully shares with the Honourable Member the conviction that there are strong public health reasons for the EU to tackle alcohol related harm, including minimum pricing measures (European Parliament 2010).

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