

Number: WG35700



Llywodraeth Cymru  
Welsh Government

Welsh Government  
Consultation Document

## Minimum Unit Pricing for Alcohol

Date of issue: 28 September 2018  
Action required: Responses by 21 December 2018

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.  
This document is also available in Welsh.

## Overview

This consultation sets out and seeks views on the Welsh Government's preferred level of a minimum unit price for the purposes of the Public Health (Minimum Price for Alcohol) (Wales) Act 2018, which was passed by the National Assembly for Wales in June.

## How to respond

You can respond to this consultation by completing, the consultation response form/survey available on our website:

[www.gov.wales/consultations](http://www.gov.wales/consultations)

Forms can be returned to us before the 21 December 2018 by e-mail to: [Deddf1aA.MUPAct@gov.wales](mailto:Deddf1aA.MUPAct@gov.wales)

Alternatively, use the consultation response form at the back of this document and return it to us by post to:

Public Health (Minimum Price for Alcohol) (Wales) Act  
2018 Team  
Substance Misuse Policy Team  
Second Floor  
Welsh Government  
Rhydycar  
Merthyr Tydfil  
CF48 1UZ

## Further information and related documents

**Large print, Braille and alternative language versions of this document are available on request.**

This document is available at:

[www.gov.wales/consultations](http://www.gov.wales/consultations)

## Contact details

For further information, please contact:

Public Health (Minimum Price for Alcohol) (Wales) Act  
2018 Team  
Substance Misuse Policy Team  
Second Floor  
Welsh Government  
Rhydycar  
Merthyr Tydfil  
CF48 1UZ

Email: [Deddf1aA.MUPAct@gov.wales](mailto:Deddf1aA.MUPAct@gov.wales)

## General Data Protection Regulation (GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation

If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

## Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data holds about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer:  
Welsh Government  
Cathays Park  
CARDIFF  
CF10 3NQ

e-mail:

[Data.ProtectionOfficer@gov.wales](mailto:Data.ProtectionOfficer@gov.wales)

The contact details for the Information Commissioner's Office are:

Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF

Tel: 01625 545 745 or  
0303 123 1113

Website: <https://ico.org.uk/>

## FOREWORD

Alcohol is a major cause of death and illness in Wales; it leads to a number of health and social harms, particularly for a significant minority of people who drink to excess.

In 2016, there were 504 alcohol-related deaths in Wales and in 2016-17, there were nearly 55,000 alcohol-related hospital admissions. All alcohol-related deaths and alcohol-related hospital admissions are preventable.

The damage alcohol can cause not only affects the people concerned but their families, public services and the communities in which they live. By working with our partners, the Welsh Government has put in place a series of actions and initiatives to tackle the many and varied problems associated with alcohol misuse, but it is clear more needs to be done.

Evidence suggests one of the most effective actions available to governments is to control the price and affordability of alcohol. The Welsh Government has long been clear that a pricing intervention must be a key component of any comprehensive strategy to tackle alcohol misuse, not least because the affordability of alcohol has increased significantly over the past two decades.

The University of Sheffield has analysed the modelled impacts of introducing a minimum unit price at various levels in Wales – the most recent report was published on 22 February 2018. This estimated that a 50p minimum unit price would lead to 66 fewer alcohol-attributable deaths and 1,281 fewer alcohol-attributable hospital admissions per year. It also estimated that harmful drinkers would consume 269 fewer units per year (spending an extra £48 per year). Moderate drinkers would be impacted to a lesser degree – it is estimated that they would reduce their consumption by 2.4 units a year (increasing their spending by £3 per year).

Introducing a minimum unit price of 50p is estimated to be worth £783m to the Welsh economy in terms of the reduction in alcohol-related illness, crime and workplace absence over 20 years.

Since we first consulted on the policy of minimum pricing in 2014, some opponents of the policy have said that they would prefer alcohol tax to be used instead of a minimum unit price. Powers over the taxation of alcohol are not devolved to Wales. In any event, we consider that minimum pricing will enable us to target the health hazards of cheap alcohol and the groups most affected in a way that an increase in excise duty or VAT would not. When the UK's Supreme Court recently considered Scottish minimum pricing legislation, that was its conclusion too.

The modelling undertaken by the University of Sheffield estimated that large alcohol tax increases would be required to achieve the same effects as a 50p minimum unit price. Importantly, it also estimated that the reduction in alcohol-attributable health inequalities would be lower under those equivalent tax increases.

The National Assembly showed its support for minimum pricing in June, when the Public Health (Minimum Price for Alcohol) (Wales) Bill was passed. It received Royal Assent, becoming an Act, on 9 August 2018. We are now consulting on the draft regulations which will be made to specify the minimum unit price for the purposes of this Act.

Taking into account a range of factors, I consider that setting the minimum unit price at 50p will help us to target alcohol consumption among hazardous and harmful drinkers, with the aim of delivering greater health benefits to those most at risk, while taking account of impacts on moderate drinkers and interference in the market.

I would like to hear your views on the proposed regulations and their associated impacts.

**Vaughan Gething AM, Cabinet Secretary for Health and Social Services**

## **INTRODUCTION: WHAT ARE THE MAIN ISSUES?**

The Public Health (Minimum Price for Alcohol) (Wales) Act 2018 (the Act) gives effect to the Welsh Government's determination to provide a legislative basis for addressing some of the long-standing and specific health concerns around the effects of excess alcohol consumption in Wales.

It reflects a firm commitment to further improving and protecting the health of the population of Wales and forms part of a wider and continuing programme of work to tackle alcohol-related harm.

The Act makes provision for the minimum price for which alcohol is to be sold or supplied in Wales by certain persons and makes it an offence for alcohol to be sold or supplied by alcohol retailers from qualifying premises below that price.<sup>1</sup> When it is brought into force, it will put in place a series of offences and penalties relating to the new system and provides additional powers and duties for local authorities to enable them to enforce the legislation.

The Act is targeted at protecting the health of hazardous and harmful drinkers who tend to consume greater amounts of low-cost and high-strength alcohol. It provides a formula for calculating the applicable minimum price for alcohol by multiplying the percentage strength of the alcohol, its volume and the minimum unit price, allowing us to specifically target the sale and supply of that low-cost and high-strength alcohol.

The Act provides that the minimum unit price for the purposes of the Act will be specified in regulations. Ahead of laying these regulations before the National Assembly for Wales for its consideration, the Welsh Government is consulting on its preferred level – to gather views from individuals, businesses, public bodies and other stakeholders. As part of this consultation, draft regulations are set out in annex one, accompanied by a draft Explanatory Memorandum and Regulatory Impact Assessment.

The responses will be used to inform the final Explanatory Memorandum and Regulatory Impact Assessment, which will accompany the draft regulations when they are laid before the National Assembly. A summary of consultation responses will be included in the Regulatory Impact Assessment and will be made available on the Welsh Government website.

---

<sup>1</sup> These terms have a specific meaning for the purposes of the Act, as set out in sections 3 and 4 of it.

**This consultation is not about the principle of minimum pricing.** The Welsh Government has twice consulted about the principle of introducing a minimum price for alcohol in Wales – in 2014 as part of the Public Health White Paper<sup>2</sup> and in 2015 on a draft Public Health (Minimum Price for Alcohol) (Wales) Bill.<sup>3</sup> Discussions about the implementation of the legislation, which have been ongoing, will also continue with stakeholders over the coming months and once the Act comes into effect.

---

<sup>2</sup> 2014 Consultation on the Public Health White Paper Listening to you: Your health matters.

<https://gov.wales/betaconsultations/healthsocialcare/white-paper/?lang=en>

<sup>3</sup> 2015 Consultation on the Draft Public Health (Minimum Price for Alcohol) (Wales) Bill.

<https://gov.wales/betaconsultations/healthsocialcare/alcohol/?lang=en>

## WHERE ARE WE NOW?

The Welsh Government is consulting on its preferred level of minimum unit price. Taking into account a range of factors, the Welsh Government considers a 50p minimum unit price would be a proportionate response to tackling the health risks of excessive alcohol consumption. We consider this level will strike a reasonable balance between the anticipated public health and social benefits and intervention in the market.

**This paper provides background information for people who wish to take part in the consultation.**

## How do you work out the applicable minimum price for alcohol?

The Act includes a specific formula for calculating the applicable minimum price for alcohol based on three key components: 1) the minimum unit price; 2) the strength of the alcohol and 3) the volume of the alcohol being supplied. This formula has been deliberately chosen so strong, cheap alcohol can be targeted because these drinks tend to be drunk by people who are more at risk of harm due to their drinking.

If an alcoholic drink is being sold at a price higher than its applicable minimum price, there will be no need for that price to change. If the product is currently being sold for less than the applicable minimum price, then that price will need to rise accordingly.

### FORMULA FOR CALCULATING THE APPLICABLE MINIMUM PRICE: $M \times S \times V$

- (a) **M** is the minimum Unit Price (to be specified in regulations).
- (b) **S** is the percentage strength of the alcohol, expressed as a cardinal number (so for instance if the strength is 5%, the relevant cardinal number will be 5).
- (c) **V** is the volume of alcohol in litres.

### EXAMPLE OF HOW THE FORMULA WILL WORK

#### CALCULATING THE APPLICABLE MINIMUM PRICE FOR A BOTTLE OF CIDER

##### $M \times S \times V$

How the formula would work if the minimum unit price (M) was specified in regulations as being 50p:

A 7.5% strength (S), 3 litre (V) bottle of cider would have a minimum selling price of £11.25 ( $0.5 \times 7.5 \times 3$ ) being the aggregate of the three components of the formula.

$$0.5 \times 7.5 \times 3$$

$$\text{APPLICABLE MINIMUM PRICE} = \text{£}11.25$$

## **EXAMPLE OF HOW THE FORMULA WILL WORK**

### **CALCULATING THE APPLICABLE MINIMUM PRICE FOR A BOTTLE OF WINE**

**M x S x V**

How the formula would work if the minimum unit price (M) was specified in regulations as being 50p:

A 12.5% ABV strength (S), 75cl bottle of wine (V) would have a minimum selling price of £4.69 (0.5 X 12.5 X 0.75) being the aggregate of the three components of the formula.

**0.5 X 12.5 X 0.75**

**APPLICABLE MINIMUM PRICE = £4.69**

## **EXAMPLE OF HOW THE FORMULA WILL WORK**

### **CALCULATING THE APPLICABLE MINIMUM PRICE FOR A BOTTLE OF VODKA**

**M x S x V**

How the formula would work if the minimum unit price (M) was specified in regulations as being 50p:

A 40% ABV strength (S), 70cl bottle of vodka (V) would have a minimum selling price of £14 (0.5 X 40 X 0.7) being the aggregate of the three components of the formula.

**0.5 X 40 X 0.7**

**APPLICABLE MINIMUM PRICE = £14.00**

## **Who will be affected?**

It is expected that people who drink within the lower-risk drinking guidelines of no more than 14 units a week would only be marginally affected both because moderate drinkers consume a smaller amount of alcohol and because they do not tend to buy as much of the cheaper alcohol that would be most affected by the introduction of a minimum price.

One of the reasons we consider a 50p minimum unit price to be appropriate at this point in time is because of what the evidence tells us about estimated impacts. It suggests that a 50p minimum unit price will be effective in targeting the consumption of hazardous and harmful drinkers (who tend to consume greater quantities of low-cost and high-alcohol content products), while minimising impacts on moderate drinkers.

While it is anticipated that minimum pricing will mean people will consume less alcohol, they will pay more for products previously sold at below the applicable minimum price. Any additional revenue associated with minimum pricing will go to drinks producers and retailers, not the Welsh Government. Others in the supply chain may also see increased revenues.

During the scrutiny of the Public Health (Minimum Price for Alcohol) (Wales) Bill, both AMs and external stakeholders raised concerns over the potential impacts of introducing a minimum unit price on the on-trade and in particular, potential impacts on the pub industry in Wales. Alcoholic drinks in pubs, bars, nightclubs and restaurants are less likely to be affected by the preferred minimum unit price of 50p as their prices will already be above this. A higher minimum unit price would however have a greater impact on the on-trade, as a greater proportion of units sold are captured.

## EVIDENCE FOR CHANGE

### Why is the Welsh Government introducing a minimum price for alcohol?

The ultimate objective of minimum pricing is to tackle alcohol-related harm, including alcohol-attributable hospital admissions and alcohol-related deaths in Wales, by reducing alcohol consumption in hazardous and harmful drinkers. In particular, it is targeted at protecting the health of hazardous and harmful drinkers (including young people) who tend to consume greater quantities of low-cost and high-alcohol content products.

The Welsh Government commissioned the Sheffield Alcohol Research Group at the University of Sheffield to model the potential impact to Wales of a range of alcohol pricing policies. The group published the report *Model-Based Appraisal of Minimum Unit Pricing for Alcohol in Wales*<sup>4</sup> in December 2014. The model was updated with the most recent Welsh data, including alcohol consumption data from the National Survey for Wales and sales data for the Wales and West region. Revised estimates of the impact of different levels of minimum unit price (ranging from 35p to 70p, in five pence increments) were published on 22 February 2018.<sup>5</sup>

The 2018 analysis by the University of Sheffield<sup>6</sup> concluded there are a number of key benefits to introducing a minimum unit price for alcohol in Wales, including:

---

<sup>4</sup> <http://wales.gov.uk/statistics-and-research/research-likely-impact-public-attitudes-towards-minimum-unit-price-alcohol/?lang=en>

<sup>5</sup> Angus, C., Holmes, J., Brennan, A. and Meier, P. (2018) Model-based appraisal of the comparative impact of Minimum Unit Pricing and taxation policies in Wales: Final report. Cardiff: Welsh Government <http://gov.wales/docs/caecd/research/2018/180222-comparative-impact-minimum-unit-pricing-taxation-policies-en.pdf>

<sup>6</sup> It should be noted that the model assumes the minimum unit price threshold is updated annually in line with inflation.

- Minimum unit pricing policies would be effective in reducing alcohol consumption, alcohol-related harm (including alcohol-related deaths, hospitalisation, crimes and workplace absences) and the costs associated with those harms.
- Minimum unit pricing policies would only have a small impact on moderate drinkers,<sup>7</sup> larger impacts would be experienced by hazardous drinkers,<sup>8</sup> with the most substantial effects being experienced by harmful drinkers.<sup>9</sup> These drinkers are more likely to consume the types of alcohol affected by a minimum unit price.
- Introducing a minimum unit price of 50p for alcohol is estimated to be worth £783m to the Welsh economy, in terms of reductions in illness, crime and workplace absence over a 20-year period. This is an aggregate effect, driven by the greater effect on those drinking at hazardous and harmful levels, whose consumption will fall the most in absolute terms.<sup>10</sup>

Although progress is being made to reduce levels of alcohol consumption in Wales (based on self-reported data from the National Survey for Wales), levels of alcohol-related harm and hazardous drinking remain an issue. The 2017-18 National Survey for Wales shows that nearly one in five adults (18%) report drinking above weekly guidelines.<sup>11</sup>

---

<sup>7</sup> Moderate drinkers are those who drink less than 14 units per week.

<sup>8</sup> Hazardous drinkers – men who regularly drink between 14 and 50 units per week. Women who regularly drink between 14 and 35 units per week. As defined in the Angus et al. (2018) report: Model-based appraisal of the comparative impact of Minimum Unit Pricing and taxation policies in Wales: Final report.

<sup>9</sup> Harmful drinkers – men who regularly drink more than 50 units of alcohol per week. Women who regularly drink more than 35 units of alcohol per week. As defined in the Angus et al. (2018) report: Model-based appraisal of the comparative impact of Minimum Unit Pricing and taxation policies in Wales: Final report.

<sup>10</sup> For a full analysis of the impacts of a 50p minimum unit price, see also: Angus, C. , Holmes, J., Brennan, A. and Meier, P. (2017) Model-based appraisal of the comparative impact of Minimum Unit Pricing and taxation policies in Wales: Interim report <http://gov.wales/docs/caecd/research/2017/171129-comparative-impact-minimum-unit-pricing-taxation-policies-interim-en.pdf>

<sup>11</sup> 2016-17 National Survey for Wales: [https://gov.wales/statistics-and-research/national-survey/?tab=el\\_home&topic=population\\_health&lang=en](https://gov.wales/statistics-and-research/national-survey/?tab=el_home&topic=population_health&lang=en)

A key component missing from the Welsh Government's approach to reducing alcohol-related harm to date has been intervention to address the low price of alcohol. The introduction of a minimum price for alcohol will address this gap.

While low levels of alcohol consumption may have some benefits in protecting against ischaemic heart disease,<sup>12</sup> ischaemic stroke<sup>13</sup> and type 2 diabetes,<sup>14</sup> there is compelling evidence collected over many decades that the excessive<sup>15</sup> intake of alcohol causes harm and the likelihood of harm is proportionate to the amount of alcohol consumed.<sup>16 17</sup> According to the World Health Organisation, alcohol can damage almost every organ and system in the body and its use contributes to developing more than 60 different diseases and health conditions.<sup>18</sup> This includes certain cancers, liver disease, brain damage, poisoning, high blood pressure, stroke, abdominal disorders, injuries and a variety of mental health conditions.<sup>19</sup>

---

<sup>12</sup> Roerecke, M. and Rehm, J. (2012) The cardioprotective association of average alcohol consumption and ischaemic heart disease: a systematic review and meta-analysis. *Addiction*. Volume 107 (7). Pages 1246-60.

<sup>13</sup> Patra, J., Taylor, B., Irving, H., Roerecke, M., Baliunas, D., Mohapatra, S. et al. (2010) Alcohol consumption and the risk of morbidity and mortality for different stroke types - a systematic review and meta-analysis. *BMC Public Health*, Volume 10.

<sup>14</sup> Baliunas, D.O., Taylor, B.J., Irving, H., Roerecke, M., Patra, J., Mohapatra, S. et al. (2009) Alcohol as a Risk Factor for Type 2 Diabetes, A systematic review and meta-analysis. *Diabetes Care* Volume 32 (11). Pages 2123-32.

<sup>15</sup> Consumption over the recommended limits of 14 units per week is normally considered to be excessive.

<sup>16</sup> INSERM 2001. Alcohol: Health effects INSERM Collective Expert Reports [Internet]. Paris: Institut national de la santé et de la recherche médicale; 2000-2001.PMID:21348151.

<sup>17</sup> Kumar, P. and Clark, M. (2012) *Kumar and Clark's Clinical Medicine*. 8th Edition. Elsevier.

<sup>18</sup> World Health Organisation (2009) Harmful Use of Alcohol. [http://www.who.int/nmh/publications/fact\\_sheet\\_alcohol\\_en.pdf](http://www.who.int/nmh/publications/fact_sheet_alcohol_en.pdf). See also: Public Health England (2016) The Public Health Burden of Alcohol and the Effectiveness and Cost-Effectiveness of Alcohol Control Policies - An Evidence Review. <https://www.gov.uk/government/publications/the-public-health-burden-of-alcohol-evidence-review>

<sup>19</sup> Sheild, K., Parry, C. and Rehm, J. (2013) Measuring the burden: Alcohol's evolving impact. *Alcohol Research: Current Reviews*. Vol. 35 (2). Pages 117-8.

The level of alcohol consumption in Wales has led (and continues to lead) to a range of health and social harms, particularly for those people who drink excessively. In 2016, there were 504 alcohol-related deaths in Wales, the majority among men (336 males and 168 females). The figures had increased by 8.9% from the previous year – 463 alcohol-related deaths in 2015. In Wales (as in the UK), rates of alcohol-specific deaths peaked in 2008 and have since fallen back slightly.<sup>20</sup>

It is important to highlight other key indicators of alcohol-related harm. In 2016-17, there were just under 55,000 alcohol-attributable hospital admissions in Wales.<sup>21</sup> The Sheffield Alcohol Policy Model estimates that alcohol costs the NHS £159m a year in Wales.<sup>22</sup>

The need to target alcohol pricing is shared by other executives and legislatures. The Scottish Parliament for example has passed – and the Scottish Government has implemented minimum unit pricing legislation. A 50p minimum unit price has been in force in Scotland since 1 May 2018 and we are closely monitoring the implementation of the legislation there.

As highlighted in the draft Regulatory Impact Assessment (published alongside this consultation document), the Welsh Government will carry out an internal review of the level of this price after the first two years. This review will inform consideration of the initial level of the minimum unit price specified in regulations and whether this should be changed and new regulations laid before the National Assembly.

---

<sup>20</sup> Public Health Wales (2017) Data mining Wales: The annual profile for substance misuse 2016-17. NHS Wales.

<http://www.wales.nhs.uk/sitesplus/documents/888/FINAL%20profile%20for%20substance%20misuse%202016-17%20%282%29.pdf>

<sup>21</sup> Public Health Wales (2017) Data mining Wales: The annual profile for substance misuse 2016-17. NHS Wales.

<sup>22</sup> Angus, C., Holmes, J., Brennan, A. and Meier, P. (2018) Model-based appraisal of the comparative impact of Minimum Unit Pricing and taxation policies in Wales: Final report. Cardiff: Welsh Government.

In addition – and in accordance with the Act’s provisions – Welsh Ministers will, at the end of a five-year period, lay before the National Assembly and publish a report on the operation and effect of the Act during that period. Minimum pricing will be repealed at the end of six-years, unless regulations are made by Welsh Ministers providing for its continuation (this is known as a sunset clause).

We consider the evidence on the extent to which minimum pricing will have an impact on hazardous and harmful drinking is as comprehensive and as persuasive as it can be. Nonetheless, we want to make sure the legislation is the effective and targeted policy measure we expect it will be – this is why there is a sunset clause and an appropriate review mechanism in the Act.

**The following section of the consultation document sets out the rationale for a preferred minimum unit price of 50p.**

## WELSH GOVERNMENT PROPOSAL

### Welsh Government's Proposed Minimum Unit Price

The Welsh Government's preferred level of minimum unit price is 50p. This will target nearly half (47%) of all off-trade alcohol being purchased and just under half of alcohol purchased by harmful drinkers. Only just over a fifth of alcohol purchased by moderate drinkers will be affected.<sup>23</sup> Over half of the estimated reduction in consumption would be accounted for by harmful drinkers. There would be minimal impact on moderate drinkers, accounting for less than 10% of the reduction in consumption, in line with the targeted aim of the legislation.

50p was the Welsh Government's previously-preferred minimum unit price and it has consulted on this basis twice (most recently in 2015) and following careful consideration of relevant factors and developments since that time, it remains so. A 50p minimum unit price is consistent with the level of minimum unit price introduced in Scotland. Retailers and representatives from the alcohol industry have continually expressed their preference for consistency as far as is possible so as to aid implementation.

A summary of the estimated impacts of a 50p minimum unit price and the rationale for this preferred level is set out below, which is based on analyses by the University of Sheffield<sup>24</sup> and other relevant factors. The draft Regulatory Impact Assessment for the regulations included at annex one sets out the full analysis of impacts for three different levels of minimum unit price.

---

<sup>23</sup> Off-trade is defined as locations where alcohol is sold for consumption off the premises, e.g. shops and supermarkets. On-trade is defined as locations where alcohol is sold for consumption on the premises, e.g. pubs and restaurants. Source: Glossary in Angus, C., Holmes, J., Brennan, A. and Meier, P. (2018) Model-based appraisal of the comparative impact of Minimum Unit Pricing and taxation policies in Wales: Final report. Cardiff: Welsh Government

<sup>24</sup> See Angus et al. (2017) and Angus et al. (2018).

<https://gov.wales/docs/caecd/research/2017/171129-comparative-impact-minimum-unit-pricing-taxation-policies-interim-en.pdf>

<https://gov.wales/docs/caecd/research/2018/180222-comparative-impact-minimum-unit-pricing-taxation-policies-en.pdf>

- **The more we drink, the greater the harm suffered. So, we want to target cheap alcohol (which is favoured by heavier drinkers and predominantly sold in the off-trade) while balancing this against intervention in the market.** In 2016, 37% of units<sup>25</sup> were purchased below 50p per unit. However, this accounts for just under half of all off-trade alcohol (47% sold below 50p). For a 50p minimum unit price, harmful drinkers purchase more of their alcohol in the off-trade than either hazardous or moderate drinkers (76% compared to 67% and 60% respectively).
- **We want to target consumption in hazardous and harmful drinkers whilst minimising impacts on moderate drinkers.** Moderate drinkers purchased 22% of their units below a 50p minimum unit price, with the figures for hazardous and harmful drinkers being higher (36% and 46% respectively). Introducing a 50p minimum unit price in Wales would be associated with an estimated 3.6% fall in consumption at a population level, equivalent to 22 units per drinker per year. But these reductions in consumption under a 50p minimum unit price are estimated to be largest among harmful drinkers (6.8%; 268.7 units per drinker per year) and hazardous drinkers (3%; 37.4 units per drinker per year). The smallest effects would be seen among moderate drinkers (1.1%; 2.4 units per drinker per year).
- **For a minimum unit price higher than 50p, spending increases would be higher amongst moderate drinkers.** Following changes in consumption, spending on alcohol is estimated to increase by 1.4% or £8 per drinker per year under a 50p minimum unit price. The largest spending increases would be seen among harmful drinkers (1.7%; £48 per drinker per year) with smaller increases seen for hazardous drinkers (1.5%; £18 per drinker per year) and moderate drinkers (1.1%; £3 per drinker per year).
- **Evidence shows that when looking across the range of modelled minimum unit price thresholds, a clear pattern emerges. Higher levels lead to greater overall reductions in consumption and reductions in alcohol-related harms; however they are also less targeted, with a greater proportion of the alcohol**

---

<sup>25</sup> In Wales and the West.

**purchased by moderate drinkers being affected and therefore a greater impact on their consumption. In other words, the higher the minimum unit price threshold, the greater the impact, but the less concentrated these impacts on the groups in the population at the greatest risk of harm.** Of the total reduction in units consumed under a 50p minimum unit price, 52% would occur among harmful drinkers; 40% among hazardous drinkers and 8% among moderate drinkers.

- **Minimum pricing for alcohol can make an important contribution to reducing health inequalities by reducing levels of hazardous and harmful drinking amongst those living in poverty – and is one of the key aims of the legislation.** For a 50p minimum unit price, drinkers from the most deprived quintile would account for 50% of the reduction in units consumed. For a minimum unit price above 50p, there are greater estimated impacts on those living in poverty and estimated reductions in consumption. However, there are also greater estimated impacts on moderate drinkers living in poverty, who are not the intended target for this legislation.
- **Minimum pricing is about reducing alcohol-related harms. While a higher minimum unit price is estimated to result in greater reductions in consumption among hazardous and harmful drinkers and associated reductions in alcohol-related deaths and hospital admissions, it is also estimated to have more of an impact on moderate drinkers.** A 50p minimum unit price is estimated to lead to 66 or 8.5% fewer alcohol-attributable deaths per year and 1,281 or 3.6% fewer alcohol-attributable hospital admissions per year. Of the total reduction in deaths arising from a 50p minimum unit price, an estimated 69% occur among harmful drinkers; 57% occur among the most deprived quintile and 45% occur among harmful drinkers in the most deprived quintile. The equivalent figures for reductions in alcohol-attributable hospital admissions are 44%, 49% and 24%.
- **The estimated benefits from anticipated reductions in alcohol-related harm, from introducing a minimum price, are considerable.** Under a 50p minimum unit price, the discounted total reduction in societal costs of alcohol over 20 years from reductions in alcohol-attributable harm is estimated to be £783m or a reduction in

total costs of 4.7%. This is comprised of a 4.6% or £91m reduction in direct healthcare costs, a 7.5% or £490m reduction in losses of Quality Adjusted Life Years (QALYs), a 2.5% or £188m reduction in the direct and QALY-related costs of crime and a 2.1% or £14m reduction in costs associated with workplace absences.

## **NEXT STEPS**

The Welsh Government is consulting on its proposed level of the minimum unit price for a period of 12 weeks. It will then carefully consider and then publish a summary of any consultation responses it receives. Having taken account of the responses to its questions, draft regulations specifying the minimum unit price for the purposes of the Act will then be laid before the National Assembly for its consideration.

Subject to the approval of these regulations by the National Assembly, we currently anticipate that minimum pricing will be implemented from the summer of 2019 onwards. This will give people time to prepare ahead of implementing the new minimum pricing regime.

## **CONSULTATION QUESTIONS AND SUBMITTING YOUR RESPONSE**

The Welsh Government is consulting to gather views from individuals, businesses, public bodies and other stakeholders about the Welsh Government preferred price of 50p per unit. The consultation will run for a 12-week period and will close on 21 December 2018.

- 1. We invite comments on the draft regulations included in annex one which sets out the proposed minimum unit price of 50p.**
- 2. If you believe a different level of a minimum unit price should be set, please set out your reasons and any evidence and research to support your view.**

**Your responses to the consultation can be submitted online, via email or by post:**

ONLINE: [www.gov.wales/consultations](http://www.gov.wales/consultations)

[Deddf1aA.MUPAct@gov.wales](mailto:Deddf1aA.MUPAct@gov.wales)

Public Health (Minimum Price for Alcohol) (Wales) Act 2018 Team  
Substance Misuse Policy Team  
Second Floor  
Welsh Government  
Rhydycar  
Merthyr Tydfil  
CF48 1UZ

### **QUERIES**

Should you have any queries regarding this consultation, please email:

[Deddf1aA.MUPAct@gov.wales](mailto:Deddf1aA.MUPAct@gov.wales)

## Consultation Response Form

Your name:

Organisation (if applicable):

Email / telephone number:

Your address:

**Question 1:** We invite comments on the draft regulations included in annex one which set out the proposed minimum unit price of 50p.

**Question 2:** If you believe a different level of a minimum unit price should be set, please set out your reasons and any research and evidence to support your view.

**Question 3:** We would like to know your views on the effects that this proposal would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

**Question 4:** Please also explain how you believe the proposed policy could be formulated or changed so as to have:

- i) positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and
- ii) no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

**Question 5:** We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Please enter here:

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here: