



# campaign briefing

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A guide to minimum price per unit

## England's alcohol problem

Alcohol consumption in England has almost tripled over the last 60 years<sup>1</sup> with average drinkers today consuming 9.5 litres of pure alcohol a year, compared with 3.5 litres in 1947. We know that as consumption increases, so does alcohol related harm – which affects us all.

- In 2009 860,000 people were admitted to hospital in England for alcohol related problems, 150,000 of them in the North West.<sup>2</sup>
- It is estimated that the cost of alcohol related harm to the NHS in England is £2.7 million in 2006/07 prices<sup>3</sup>
- In the North West in 2008/09, 58,800 crimes attributable to alcohol were recorded. 40,400 of these were violent crimes.<sup>4</sup>
- In England, 2007 there were 6,541 deaths directly related to alcohol – an increase of 19% from 2001<sup>5</sup>

The facts speak for themselves. We need to act now to reduce our alcohol consumption and the damage it is doing.

## Why do we have an alcohol problem?

A large contributory factor is that alcohol is 75% more affordable today, in relative terms, than it was in 1980<sup>6</sup>.

Supermarkets and off licences (the off trade) are selling alcohol in some regions of England for as little as 12p a unit, cans of lager at just 22p, vodka for £6.98 for a 70cl bottle and a two-litre bottle of cider priced at less than a loaf of bread<sup>7</sup>. At such low prices, today's young people, armed with the national average of £6.24 a week pocket money could drink twice the daily recommended amount for a man or a woman every day.

At these pocket money prices, it's little wonder that sales from the off trade now account for almost half of all alcohol sold in the UK and that home drinking in the UK increased by 18% between 1997 and 2007<sup>8</sup>.

In his latest report on the state of public health in England, Chief Medical Officer Sir Liam Donaldson, noted that over the preceding 20 years, the country's disposable income had risen faster than alcohol taxation, and alcohol had become ever more affordable. As a result, alcohol consumption had risen, and so too had the level of alcohol related harm.

To reduce alcohol misuse and the harm it does, we need to tackle the sale of cheap, strong alcohol. We need to look carefully at introducing a minimum price per unit at which alcohol can be sold, as part of a wide-ranging package of measures.

### What is a minimum price per unit?

A minimum price per unit would increase the price of drinks which have high alcohol content but are usually very cheap. The idea behind minimum pricing is based on the number of units contained within the drink. The more units it contains, the stronger it is and the more expensive it would become if a minimum price per unit was introduced.

### What is a unit?

If you ask a drinker how much alcohol they have consumed the estimate will generally be lower than the reality. This is because people do not actually realise what their alcohol intake really is, and even fewer people know how to measure a unit of alcohol.

- Measured in actual drinks this equals half a pint of ordinary strength beer or lager, or a small measure of spirits or one standard pub measure (50ml) of fortified wine like sherry or port.
- A small glass of wine, or pub measure of spirits, makes up one and a half units of alcohol.

### What a minimum price per unit means to the man and woman on the street

Research<sup>9</sup> shows that a minimum price of 50p per unit would cut consumption and consequentially deaths, crimes and hospital admissions and reduce the associated costs.

If a minimum price of 50p a unit was introduced, moderate drinkers would only be estimated to spend an extra 30p per week on alcohol<sup>10</sup>.

A minimum price per unit will have a greater effect on heavy and younger drinkers as these are the groups which traditionally buy cheap alcohol. Generally speaking, it will have little or no impact on the price of a pint in the pub. At around £2 and containing 2-3 units, a pint is already charged at above minimum price.

The introduction of a minimum price per unit would have a significant effect on the price of cheap strong alcohol sold by the off trade. For instance, a supermarket brand cider, sold for £1.21 for a two litre bottle and containing 8.4 units (14p a unit) would increase in price to £4.20 for a bottle should a minimum price of 50p a unit be introduced.

## Support for minimum price per unit

The introduction of a minimum price per unit is well supported nationally with the likes of the Chief Medical Officer Sir Liam Donaldson, The House of Commons Select Committee for Health, the BMA, and the Association of Chief Police Officers. Several breweries have come out in favour of a minimum price per unit including Molson Coors and Tennents, as have consumer groups such as the Campaign for Real Ale, and the National Union of Students.

## It's not another tax

Minimum price per unit has been misrepresented as a tax on alcohol. It is not. The Government won't receive a penny. A minimum price per unit is a floor below which retailers cannot sell alcohol.

## It's perfectly legal

Some have argued that a minimum price per unit would contravene UK competition law. The Office of Fair Trading has ruled that minimum pricing imposed by a Government body is within competition law, as it is not engaging in economic activity.

## We will all benefit

All of us stand to gain from the introduction of a minimum price per unit. Heavy drinkers would drink less, benefiting themselves and their families. The pub trade will see a reduction in the threat to their business from cheap off trade alcohol. Small retailers will be on a level playing field with supermarkets. **Moderate drinkers will face minimal effect (as little as 30p extra a week)** but stand to gain from savings made by reducing policing, health and social care costs.

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<sup>1</sup> Health Select Committee Report on Alcohol

<sup>2</sup> National Indicator 39, Department of Health, Statistics on Alcohol 2009

<sup>3</sup> Statistics on Alcohol: England, 2009

<sup>4</sup> Local Alcohol Profiles for England, North West Public Health Observatory

<sup>5</sup> Statistics on Alcohol: England, 2009

<sup>6</sup> HM Revenue & Customs Alcohol Fact Sheet

<sup>7</sup> Selling Alcohol at Pocket Money Prices 2010 – produced by Balance, North East of England Alcohol Office

<sup>8</sup> Statistics on Alcohol: England, 2009

<sup>9</sup> Independent Review of the Effects of Alcohol Pricing and Promotion 2208 – University of Sheffield

<sup>10</sup> Ibid