



# Faculty of Public Health

of the Royal Colleges of Physicians of the United Kingdom

Working to improve the public's health

## UK Faculty of Public Health response to Review of alcohol taxation and pricing

The UK Faculty of Public Health (FPH) welcomes the Government's commitment to use pricing as a method of tackling problem drinking, without unfairly penalising pubs, responsible drinkers or local industry. We are grateful for the opportunity to make some comments on targeted measures that can directly impact on public health outcomes.

Despite the public's scepticism on the potential effect of price hikes, the evidence strongly suggests that their consumption of alcohol would be significantly affected by price. Consequently, the Government has the means to curb the widespread practice of hazardous, excessive and harmful drinking, and reaping the cost savings of gains in public health and reductions in public disorder and wider social and family consequences. The cost of alcohol to the NHS alone annually is £2.7 billion, alongside an estimated 800,000 alcohol-attributable hospital admissions<sup>1</sup>.

Modelling from the University of Sheffield demonstrates that a 50 pence minimum price for alcohol (a measure recommended by 87% of public health experts that FPH surveyed) would result in a 6.9% drop in consumption, and 2930 lives saved. Comparable measures, such as targeting so-called "problem drinks", are generally regressive or ineffectual (shifting consumer's choice and producers' marketing efforts to other products rather than reducing consumption), and even a rise in the price of alcohol across the board by 10% only results in a 4.4% drop in consumption, and 1460 fewer deaths<sup>2</sup>.

Increases in taxation or duty can be easily absorbed by supermarkets, which continue to offer cheap drink as loss-leaders to draw people into their stores. Many deeply discounted drinks are currently being offered at less than the cost of VAT. Tax and duty do not put a floor on the price of cheap drink.

In terms of the economic costs and benefits of a minimum unit price of 50p, the mean average cost to a drinker is minimal at £36.80 per year, while the cumulative net saving to healthcare is £6.2 billion. This compares to a saving of £3.5 billion from a general 10% price increase<sup>3</sup>.

We therefore recommend the implementation of a minimum price, either via the introduction of bye-laws (as is currently being explored in

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<sup>1</sup> The Information Centre "Statistics on Alcohol, England 2009"  
<http://www.ic.nhs.uk/pubs/alcohol09> accessed 26 August 2010

<sup>2</sup> Purshouse et al "Estimated effect of alcohol pricing policies on health and health economic outcomes in England: an epidemiological model" *The Lancet*, published online March 24, 2010

<sup>3</sup> Ibid.

Manchester), or national implementation. The introduction of a minimum price has been supported by a wide range of both business and health interests, from the Royal College of Physicians and NICE<sup>4</sup>, to the Publican newspaper<sup>5</sup> and Tesco supermarkets<sup>6</sup>. There is appetite for this measure in a way that there is not for targeting of individual drinks, or for increases in taxation.

If a minimum price was introduced, shops discount other produce (such as fresh fruit and vegetables) to maintain footfall; there is no reason for retailers to be opposed to this proposal, as the support of Tesco indicates.

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<sup>4</sup> NICE, "NICE calls for minimum pricing for alcohol"  
<http://www.nice.org.uk/newsroom/news/NICEcallsForMinimumPricingForAlcohol.jsp>  
accessed 26 August 2010

<sup>5</sup> The Publican "Make It The Minimum"  
<http://www.thepublican.com/section.asp?navcode=354> accessed 26 August 2010

<sup>6</sup> BBC News "Tesco backs minimum price for alcohol sales"  
<http://news.bbc.co.uk/1/hi/health/8696097.stm> accessed 26 August 2010