

## ALCOHOL FINDINGS **Your selected document**

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### ▶ [Model-based appraisal of minimum unit pricing for alcohol in Wales.](#)

**Meng Y., Sadler S., Gell L. et al.**

**Welsh Government Social Research, 2014.**

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*After similar analyses for England and Scotland comes this simulation of what a minimum unit price for alcohol would do for health, crime and workplace absence in Wales. The conclusion is the same: set at the right level, the policy substantially saves lives and reduces social impact by making (especially poor and heavy) drinkers cut back.*

**SUMMARY** Depending on its level, setting a uniform minimum price per unit of alcohol (about 8gm) across all drinks would substantially raise the costs of the cheaper products. According to simulation exercises by researchers at the University of Sheffield, for both [England](#) and [Scotland](#), a relatively high price would substantially improve the health of the population and reduce crime and adverse employment-related consequences due to excessive drinking. Scotland has legislated for such a price and some other countries of the UK are planning to do so.

Commissioned by the Welsh Government, the featured study adapted the simulation model to Wales. Assuming these policies were introduced in 2014, it estimated the impact for Wales of minimum prices from £0.35 to £0.70 per **unit**, and the impact instead of a ban on selling alcohol below **cost price**, an estimation which had **also been done** for England. Also estimated were how these impacts would vary between moderate (under 21 **units** per week for men, 14 for women), increasing-risk (21–50 units per week for men, 14–35 for women) and high-risk (over 50 units per week for men, 35 for women) drinkers, and between people living or not living in **poverty**.

There is also an [associated report](#) based on a survey of public attitudes in Wales related to the possible impact of a minimum **unit** price.

#### MAIN FINDINGS

The following figures should be understood as estimates based on a simulation model into which was fed data and evidence relating to the Welsh population. In other words, they are predictions of what would happen based on available data and evidence, not observations of what has actually happened. To ease reading, qualifiers such as 'would' or 'might' may be omitted from the account. The focus is on a £0.50 unit price, the level planned for Scotland.

#### Consumption

A £0.50 minimum price reduces alcohol consumption across the population of drinkers by 4%, equating to on average about 30 **units** fewer per drinker per year. Setting a lower price has relatively small impacts, but these increase sharply from a 2.6% reduction at £0.45 per unit to 5.6% at £0.55.

High-risk drinkers cut back most. Faced with a £0.50 minimum price, on average they drink 7% less, compared to around 2% for lower risk drinkers, equating to 5.6 **units** a week fewer for high-risk drinkers but just half a unit for increasing-risk drinkers and negligible amounts for moderate drinkers.

Consumption reductions are also relatively high among high-risk drinkers living in poverty – for example, a reduction of just over 9 units per week compared to just under 5 for those not in poverty. However, 26% of those in poverty are non-drinkers compared to 13% of the rest of the population, so in proportion, twice as many of the poverty sector are unaffected.

A ban on below-cost selling is estimated to have almost no impact on population consumption, spending or alcohol-related harms.

#### Expenditure, tax income and retail revenues

Drinkers would pay slightly more on average per **unit** but drink less, dampening the impact on spending.

Across the whole population more will be spent on alcohol. For example, at a £0.50 **unit** price, £10 more (or 1.6%) per drinker per year. High-risk drinkers will spend £32 (1.1%) more, moderate drinkers, £2.37 (0.8%) more.

Most of those in poverty increase their spending under most policy scenarios, except high-risk drinkers who spend less when the unit price is £0.55 or more. At a £0.50 **unit** price, moderate drinkers in poverty spend £2.15 a year more, those not in poverty, £2.44 more. At the same unit price, increasing-risk drinkers in poverty spend £17.74 a year more, high-risk drinkers, £8.50 more.

Under all modelled policies (except a ban on below-cost selling), the revenue to the Exchequer from duty and VAT receipts on alcohol is estimated to decrease slightly – by 1% (equivalent to £5.8 million)

**Key points**

Setting a high uniform minimum price per UK unit of alcohol (about 8gm) across all drinks would substantially raise the costs of cheaper products.

Simulations for England and Scotland predicted this would improve population health and reduce crime and work-related impacts of excessive drinking. The featured study adapted the simulation model to Wales.

It predicted that by reducing drinking, a £0.50 unit price (planned for Scotland) would cut alcohol-related deaths, hospitalisations, crimes and workplace absences and associated social costs.

In contrast, a ban on selling drink below the cost of duty plus VAT (policy for England) would have a negligible impact.

for a £0.50p **unit** price. Largely accruing to the off-licence trade, retailers will gain, for example, £27 million more (3.3%) revenue per year from a £0.50 unit price. On-trade retailers will also usually gain, but only slightly.

### Alcohol-related harms

Changes in the rates of some alcohol-related health conditions (such as various cancers) take many years to materialise after consumption levels change, so annual changes in health outcomes are estimated for the 20th year of a policy change, when the new policy is expected to be having its fullest impact.

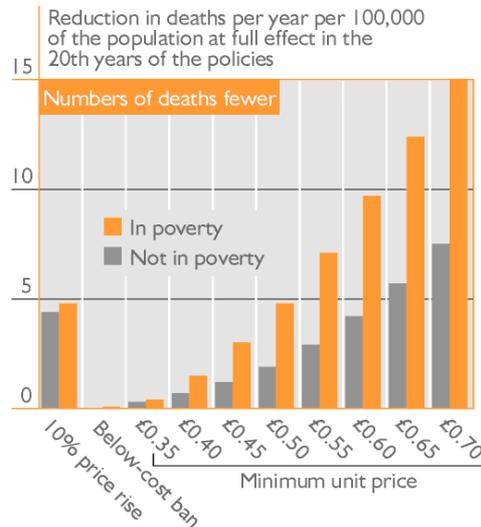
Minimum price policies substantially reduce alcohol-related harm. For example, a £0.50 **unit** price would mean 53 fewer deaths and 1,400 fewer hospital admissions per year.

Minimum price policies also create proportionately greater health gains for drinkers in poverty than those not in poverty. For example, a £0.50 **unit** price would mean 5 fewer deaths and 120 fewer hospital admissions per 100,000 drinkers in poverty, compared to 2 and 50 for those not in poverty ► [chart](#). Direct costs to healthcare services also fall, creating savings at a £0.50 **unit** price of £131 million over 20 years.

As heavy drinking occasions **become less frequent**, so too does alcohol-related crime – a £0.50 **unit** price leading to 3,684 fewer offences per year, half due to the impact on high-risk drinkers, though they constitute just under 6% of the population. Under the same policy, costs imposed on society by alcohol-related crimes fall by £248 million over 20 years.

Also as heavy drinking occasions **become less frequent**, so too do consequential absences from work, amounting to 10,000 days fewer per year for a £0.50 **unit** price.

At a £0.50 **unit** price, the societal value of these impacts totals £882 million over the 20-year period modelled. This includes reduced direct healthcare costs, savings from reduced crime and policing, savings from reduced workplace absence and a financial valuation of the health benefits measured in terms of quality-adjusted life years.



### THE AUTHORS'S CONCLUSIONS

Minimum **unit** pricing would reduce alcohol consumption, alcohol-related harms (including deaths, hospitalisations, crimes and workplace absences) and the costs associated with those harms. A ban on below-cost selling (implemented as a ban on selling alcohol for below the cost of duty plus the VAT payable on that duty) would have a negligible impact on consumption and harms.

Minimum **unit** pricing would have a small impact on moderate drinkers, larger impacts on increasing-risk drinkers, and the largest on high-risk drinkers. Such policies would also have a larger impact on the consumption of drinkers living in poverty – particularly high-risk drinkers – than those not in poverty. However, those in poverty also gain more in health terms, and under many policies the high-risk drinkers among them will marginally reduce their spending on alcohol due to their reduced drinking.

**FINDINGS COMMENTARY** For a commentary on the methodology used by the University of Sheffield researchers in making such estimates see this analysis of the estimates for [England](#). For related UK policy developments see this [hot topic entry](#).

*Thanks for their comments on this entry in draft to the research authors at the Sheffield Alcohol Research Group in England. Commentators bear no responsibility for the text including the interpretations and any remaining errors.*

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