APPENDIX 2

HOUSE OF COMMONS HEALTH COMMITTEE
ALCOHOL – FIRST REPORT OF SESSION 2009/10

EXTRACTS – JANUARY 2010

SUMMARY

Over the last 60 years English drinking habits have been transformed. In 1947 the nation consumed approximately three and a half litres of pure alcohol per head; the current figure is nine and a half litres. According to the General Household Survey data from 2006, 31% of men are drinking hazardously (more than 21 units per week) or harmfully (more than 50 units) of whom 9% are drinking harmfully. 21% of women are drinking hazardously or harmfully of whom 6% are drinking harmfully. While the consumption of alcohol has increased, taxation on spirits has declined in real terms and even more so as a fraction of average earnings.

The rising levels of alcohol consumption and their consequences have been an increasing source of concern in recent years. These involve not only the consequences of binge drinking which are a cause of many serious accidents, disorder, violence and crime, but also long term heavy drinking which causes more harm to health. The President of the Royal College of Physicians told us that alcohol was probably a significant factor in 30 to 40,000 deaths per year. The WHO has put alcohol as the third most frequent cause of death after hypertension and tobacco. UK deaths from liver cirrhosis increased more than five fold between 1970 and 2006; in contrast in France, Italy and Spain the number of deaths shrank between two and four fold; this country's deaths from cirrhosis are now above all of them.. In 2003 the P M's Strategy Unit estimated the total cost of alcohol to society to be £20 bn; another study in 2007 put the figure at 55 bn.

Faced by a mounting problem, the response of successive Governments has ranged from the non-existent to the ineffectual. In 2004 an Alcohol Strategy was published following an excellent study of the costs of alcohol by the Strategy Unit. Unfortunately, the Strategy failed to take account of the evidence which had been gathered.

The evidence showed that a rise in the price of alcohol was the most effective way of reducing consumption just as its increasing affordability since the 1960s had been the major cause of the rise in consumption. We note that minimum pricing is supported by many prominent health experts, economists and ACPO. We recommend that the Government introduce minimum pricing.

There is a myth widely propagated by parts of the drinks industry and politicians that a rise in prices would unfairly affect the majority of moderate drinkers. But precisely because they are moderate drinkers a minimum price of for example 40p per unit would have little effect. It would cost a moderate drinker 11p per week; a woman drinking the recommended maximum of 15 units could buy her weekly total of alcohol for £6.

Opponents also claim that heavier drinkers are insensitive to price changes, but as a group their consumption will be most affected by price rises since they drink so much of the alcohol purchased in the country. Minimum pricing would most affect those who drink cheap alcohol, in particular young binge-drinkers and heavy low income drinkers who suffer most from liver disease. It is estimated that a minimum price of 50p per unit would save over 3,000 lives per year, a minimum price of 40p, 1,100 lives.

Minimum pricing would have other benefits. Unlike rises in duty minimum pricing would benefit traditional pubs which sell alcohol at more than 40p or 50p per unit; unsurprisingly it is supported by CAMRA. Minimum pricing would also encourage a switch to weaker wines and beers. With a minimum price of 40p per unit, a 10% abv wine would cost a minimum of £2.80p, a 13% abv. wine £3.60p.

However, without an increase in duty minimum pricing would lead to an increase in the profits of supermarkets and the drinks industry. Alcohol duty should continue to rise year on year, but unlike in recent years duty increases should predominantly be on stronger alcoholic drinks, notably on spirits. The duty on spirits was 60% of male average manual weekly earnings in 1947; in 1973 (when VAT was imposed in addition to duty) duty was 16% of earnings; by in 1983 it was 11% and by 2002 it had fallen to 5%. We recommend that the duty on spirits be returned in stages to the same percentage of average earnings as in the 1980s. The duty on industrial white cider should also be increased. Beer under 2.8% can be taxed at a different rate and we recommend that the duty on this category of beer be reduced.

An increase in prices must be part of a wider policy aimed at changing our attitude to alcohol. The policy must be aimed at the millions who are damaging their heath by harmful drinking, but it is also time to recognise that problem drinkers reflect society's attitude to alcohol. There is a good deal of evidence to show that the number of heavy drinkers in a society is directly related to average consumption. Living in a culture which encourages drinking leads more people to drink to excess. Changing this culture will require a raft of policies.

Education, information campaigns and labelling will not directly change behaviour, but they can change attitudes and make more potent policies more acceptable. Moreover, people have a right to know the risks they are running. Unfortunately, these campaigns are poorly funded and ineffective at conveying key messages; people need to know the health risks they are running, the number of units in the drink they are buying and the recommended weekly limits, including the desirability of having two days drink-free each week. The information should be provided on the labels of alcohol containers and we recommend that all alcohol drinks containers should have labels containing this information. We doubt whether a voluntary agreement, even if it is possible to come to one, would be adequate. The Government should introduce a mandatory labelling scheme.

Expenditure on marketing by the drinks industry was estimated to be c. £600–800m in 2003. The current system of controls on alcohol advertising and promotion is failing the young people it is intended to protect. Both the procedures and the scope need to be

strengthened. The regulation of alcohol promotion should be completely independent of the alcohol and advertising industries; this would match best practice in other fields such as financial services and professional conduct. In addition, young people should themselves be formally involved in the process of regulation: the best people to judge what a particular communication is saying are those in the target audience.

The current controls do not adequately cover sponsorship or new media which are becoming increasingly important in alcohol promotion. The codes must be extended to address better sponsorship. New media presents particular regulatory challenges, including the inadequacy of age controls and the problems presented by user generated content. Expert guidance should be sought on how to improve the protection offered to young people in this area. Finally, there is a pressing need to restrict alcohol advertising and promotion in places where children are likely to be affected by it.

Alcohol-related crime and anti-social behaviour have increased over the last 20 years, partly as a result of the development of the night time economy with large concentrations of vertical drinking pubs in town centres. The DCMS has shown extraordinary naivety in believing the Licensing Act 2003 would bring about 'civilised cafe culture'. In addition, the Act has failed to enable the local population to exercise adequate control of a licensing and enforcement regime which has been too feeble to deal with the problems it has faced. Some improvements have been made through the Policing and Crime Act 2009, in particular the introduction of mandatory conditions on the sale of alcohol. We urge the Government to implement them as a matter of urgency, but problems remain. It is of concern that section 141 of the Licensing Act 2003is not enforced and we call on the police to enforce it.

The 2009 Act has made it easier to review licences, giving local authorities the right to instigate a review. We support this. However, we are concerned that local people will continue to have too little control over the granting of licences and it will remain too difficult to revoke the licences of premises associated with heavy drinking. The Government should examine why the licences of such premises are not more regularly revoked.

In Scotland legislation gives licensing authorities the objective of promoting public health. Unfortunately, public health has not been a priority for DCMS. We recommend that the Government closely monitor the operation of the Scottish licensing act with a view to amending the Licensing Act 2003 to include a public health objective.

The most effective way to deal with alcohol related ill-health will be to reduce overall consumption, but existing patients deserve good treatment and a service as good as that delivered to users of illegal drugs, with similar levels of access and waiting times. As alcohol consumption and alcohol related ill health have increased, the services needed to deal which these problems have not increased; indeed, in many cases they have decreased, partly as a result of the shift in resources to dependency on illegal drugs.

Early detection and intervention is both effective and cost effective, and could be easily be built into existing healthcare screening initiatives and incentives for doing this should be provided in the QOF. However the dire state of alcohol treatment services is a significant disincentive for primary care services to detect alcohol related issues at an

early stage before the serious and expensive health consequences of regular heavy drinking have developed. These services must be improved.

The alcohol problem in this country reflects a failure of will and competence on the part of government Departments and quangos. In the past Governments have had a large influence on alcohol consumption, be it from the liberalisation which encouraged the eighteenth century 'Gin Craze' to the restrictions on licensing in the First World War. Alcohol is no ordinary commodity and its regulation is an ancient function of Government.

It is time the Government listened more to the CMO and the President of the RCP and less to the drinks and retail industry. If everyone drank responsibly the alcohol industry might lose about 40% of its sales and some estimates are higher. In formulating its alcohol strategy, the Government must be more sceptical about the industry's claims that it is in favour of responsible drinking.

History – conclusions and recommendations

29 The history of the consumption of alcohol over the last 500 years has been one of fluctuations, of peaks and troughs. From the late 17th century to the mid-19th the trend was for consumption per head to decline despite brief periods of increased consumption such as the gin craze. From the mid- to the late 19th century there was a sharp increase in consumption which was followed by a long and steep decline in consumption until the mid 20th century.

30 The variations in consumption are associated both with changes in affordability and availability, but also changes in taste. Alternative drinks such as tea and alternative pastimes affected consumption. Different groups drank very different amounts. Government has played a significant role both positive and negative, for example in reducing consumption in the First World War as well as in stimulating the 18th century gin craze by encouraging the consumption of cheap gin instead of French brandy.

31 From the 1960s consumption rose again. At its lowest levels in the 1930s and -40s annual per capita consumption was about 3 litres of pure alcohol; by 2005 it was over 9 litres. These changes are, as in past centuries, associated with changing fashion and an increase in affordability, availability and expenditure on marketing. Just as Government policy played a part in encouraging the gin craze, successive Government policies have played a part in encouraging the increase in alcohol consumption over the last 50 years. Currently over 10 million adults drink more than the recommended limits. These people drink 75% of all the alcohol consumed. 2.6 million adults drink more than twice the recommended limits. The alcohol industry emphasises that these figures represent a minority of the population; health professionals stress that they are a very large number of people who are putting themselves at risk. We share these concerns.

32 One of the biggest changes over the last 60 years has been in the drinking habits of young people, including students. While individual cases of student drunkenness are regrettable and cannot be condoned, we consider that their actions are quite clearly a product of the society and culture to which they belong. The National Union of

Students and the universities themselves appear to recognise the existence of a student binge drinking culture, but all too often their approach appears much too passive and tolerant. We recommend that universities take a much more active role in discouraging irresponsible drinking amongst students. They should ensure that students are not subjected to marketing activity that promotes dangerous binge drinking. The first step must be for universities to acknowledge that they do indeed have a most important moral "duty of care" to their students, and for them to take this duty far more seriously than they do at present.

33 Since 2004 there has been a slight fall in total consumption but it is unclear whether this represents a watershed or a temporary blip as in the early 1990s.

The Impact of alcohol on health, the NHS and society – conclusions

64. The fact that alcohol has been enjoyed by humans since the dawn of civilization has tended to obscure the fact that it is also a toxic, dependence inducing teratogenic and carcinogenic drug to which more than three million people in the UK are addicted. The ill effects of alcohol misuse affect the young and middle aged. For men aged between 16 and 55 between 10% and 27% of deaths are alcohol related, for women the figures are 6% and 15%.

65. Alcohol has a massive impact on the families and children of heavy drinkers, and on innocent bystanders caught up in the damage inflicted by binge drinking. Nearly half of all violent offences are alcohol related and more than 1.3 million children suffer alcohol related abuse or neglect.

66. The costs to the NHS are huge, but the costs to society as a whole are even higher, all of these harms are increasing and all are directly related to the overall levels of alcohol consumption within society.

NHS policies to address alcohol related problems – conclusions and recommendations

142. Alcohol related-ill health has increased as alcohol consumption has increased, but there are no more services to deal with these problems. Indeed in many cases there are fewer, partly as a result of the shift in resources to addressing dependency on illegal drugs. The most effective way to deal with alcohol related ill-health will be to reduce overall consumption, but existing patients deserve at least as good a service as that provided to users of illegal drugs, with similar levels of access and waiting times.

143. Early detection and intervention is both effective and cost effective, and could be easily built into existing healthcare screening initiatives. However, the dire state of alcohol treatment services is a significant disincentive for primary care services to detect alcohol-related problems at an early stage before the serious and expensive health consequences of regular heavy drinking have developed. The solution is to link alcohol interventions in primary and secondary care with improved treatment

services for patients developing alcohol dependency. In time we believe such a strategy will result in significant savings for the NHS but will require pump priming and intelligent commissioning of services. Specifically, the NHS needs to improve treatment and prevention services as follows

Treatment services:

- Each PCT should have an alcohol strategy with robust needs assessment, and accurate data collection.

- Targets for reducing alcohol related admissions should be mandatory

- Acute hospital services should be linked to specialist alcohol treatment services and community services via teams of specialist nurses.

- There should be more alcohol nurse hospital specialists

- Treatment budgets should be pooled to allow the cost savings from reduced admissions to be fed back into treatment and prevention, with centrally provided 'bridge' funding to enable service development.

- Access to community based alcohol treatment must be improved to be at least comparable to treatment for illegal drug addiction

- These improved alcohol treatment services must be more proactive in seeking and retaining subjects in treatment with detailed long term treatment outcome profiling.

- Funding should be provided for the National Liver Plan

Prevention services:

- Improved access to treatment for alcohol dependency is a key step in the development of early detection and intervention in primary care.

- Clinical staff in all parts of the NHS need better training in alcohol interventions.

- Early detection and brief advice should be undertaken in primary care and appropriate secondary care and other settings. Detection and advice should become part of the QOF.

- Once detected patients with alcohol issues should progress through a stepped program of care; seven out of eight people do not respond to an early intervention and it is these people who go on to develop significant health issues.

- Research should be commissioned into developing early detection and intervention in young people.

Education and Information Policies – conclusions and recommendations

154. Better education and information are the main planks of the Government's alcohol strategy. Unfortunately, the evidence is that they are not very effective. Moreover, the low level of Government spending on alcohol information and education campaigns, which amounts to £17.6m in 2009/10 makes it even more unlikely they will have much effect. In contrast, the drinks industry is estimated to spend £600-800m per annum on promoting alcohol.

155. However, information and education policies do have a role as part of a comprehensive strategy to reduce alcohol consumption. They do not change behaviour immediately, but can justify and make people more responsive to more effective policies such as raising prices. Moreover, people have a right to know the risks they are running. We recommend that information and education policies be improved by giving more emphasis to the number of units in drinks and the desirability of having a couple of days per week without alcohol. We also recommend that all containers of alcoholic drinks should have labels, which should warn about the health risks, indicate the number of units in the drink, and the recommended weekly limits, including the desirability of having two days drink-free each week. We doubt whether a voluntary agreement would be adequate. The Government should introduce a mandatory labelling scheme.

Marketing and the Drinks Industry – conclusions and recommendations

204. The current system of controls on alcohol advertising and promotion is failing the young people it is intended to protect. The problem is more the quantity of advertising and promotion than its content. This has led public health experts to call for a ban. It is clear that both the procedures and the scope need to be strengthened.

Procedures

205. The regulation of alcohol promotion should be completely independent of the alcohol and advertising industries; this would match best practice in other fields such as financial services and professional conduct. In addition young people should themselves be formally involved in the process of regulation: the best people to judge what a particular communication is saying are those in the target audience.

Scope

206. The current controls do not adequately cover sponsorship, a key platform for alcohol promotion; the codes must be extended to fill this gap. The enquiry also heard how dominant new media are becoming in alcohol promotion and the particular regulatory challenges they present, including the inadequacy of age controls and the problems presented by user generated content. Expert guidance should therefore be sought on how to improve the protection offered to young people in this area.

207. Finally, there is a pressing need to restrict alcohol advertising and promotion in places where children are likely to be affected by it. Specifically:

- Billboards and posters should not be located within 100 metres of any school (there used to be a similar rule for tobacco).
- A nine o'clock watershed should be introduced for television advertising. (The current restrictions which limit advertising around children's programming fail to protect the relatively larger proportions of children who watch popular programmes such as soaps).
- Cinema advertising for alcohol should be restricted to films classified as 18.
- No medium should be used to advertise alcoholic drinks if more than 10% of its audience/readership is under 18 years of age (the current figure is 25%).
- No event should be sponsored if more than 10% of those attending are under 18 years of age
- There must be more effective ways of restricting young people's access to new media which promote alcohol
- Alcohol promotion should not be permitted on social networking sites.
- Notwithstanding the inadequacies of age restrictions on websites, they should be required on any site which includes alcohol promotion—this would cover the sites of those receiving alcohol sponsorship. This rule should also be extended to corporate alcohol websites. Expert guidance should be sought on how to make these age controls much more effective.
- Alcohol advertising should be balanced by public health messaging. Even a small adjustment would help: for example, for every five television ads an advertiser should be required to fund one public health advertisement.

Licensing, binge- drinking, crime and disorder – conclusions and recommendations

248. Alcohol-related crime and anti-social behaviour have increased over the last 20 years as a result of the development of the night time economy with large concentrations of vertical drinking pubs in town centres; under-age drinkers in the

streets have also caused problems. The Alcohol Strategy 2004 recognised these problems and claimed that they were being addressed by a number of measures including the Licensing Act 2003. In addition, the alcohol industry established voluntary standards to govern the promotion and sale of alcohol.

249. The worst fears of the Act's critics were not realised, but neither was the DCMS's naive aspiration of establishing cafe society: violence and disorder have remained at similar levels, although they have tended to take place later at night. The principle of establishing democratic control of licensing was not realised: the regulations governing licensing gave the licensing authorities and local communities too little control over either issuing or revoking licences, as ACPO indicated. KPMG examined the alcohol industry's voluntary code and found it had failed.

250. Problems remained and the 2007 Strategy introduced new measures. Partnership schemes such as the St Neots Community Alcohol Partnership were established. The main changes are being introduced by the Policing and Crime Act 2009 which gives the police greater powers to confiscate alcohol from under 18s, introduces a mandatory code in place of the industry's voluntary code and has made it easier to review licences, giving local authorities the right to instigate a review. We support the introduction of mandatory conditions and urge the Government to implement them as a matter of urgency.

251. Despite the recent improvements, much needs to be done given the scale of alcohol-related disorder. It is of concern that section 141 of the Licensing Act 2003, which creates the offence of selling alcohol to a person who is drunk, is effectively not enforced despite KPMG's finding that this behaviour is frequently observed. We note the police and Home Office's preference for partnerships and training, but do not consider these actions should be an excuse for not enforcing a law which could make a significant difference to alcohol-related crime and disorder. We call on the police enforce s.141 of the Licensing Act 2003 more effectively.

252. We note the concerns of ACPO and other witnesses about the difficulties local authorities have in restricting and revoking licences. The Government has made some improvements in the Policing and Crime Act 2009, but must take additional measures.

253. In Scotland legislation gives licensing authorities the objective of promoting public health. Unfortunately, public health has not been a priority for DCMS. We recommend that the Government closely monitor the operation of the Scottish licensing act with a view to amending the Licensing Act 2003 to include a public health objective.

<u>Supermarket and off-licence sales – conclusions and recommendations</u>

279. Over recent decades an ever increasing percentage of alcohol has been bought in supermarkets and other off-licence premises. Such purchases exceed those made in pubs and clubs by a large margin. The increase in off-licence purchases has been associated with the increasing availability of, promotions of, and discounting of

alcohol. Heavily discounted and readily available alcohol has fuelled underage drinking, led to the phenomenon of pre-loading where young people drink at home before they go out and encouraged harmful drinking by older people.

280. Some areas have very large numbers of off-licences open for long hours. There are also too many irresponsible off-licences. Addressing this problem will require both better enforcement and improvements to the licensing regime. A public health objective in the licensing legislation would apply to off-licences as well as pubs and clubs and could be used to place limits on the number of outlets in an area. This aspect of the Scottish licensing legislation should be closely monitored with a view to its implementation in England.

281. Although they acknowledged that alcohol was a dangerous commodity, supermarkets told us that they used discounts and alcohol promotions because they were engaged in fierce competition with each other. In some cases, it is possible to buy alcohol for as little as 10p per unit. At this price, the maximum weekly recommended 15 units for a woman can be bought for £1.50p. This is not a responsible approach to the sale of alcohol. Retail outlets should make greater efforts to inform the public of the dangers of alcohol at the point of sale.

282. The Scottish Government has introduced controls on promotions including restricting alcohol to one aisle. These measures should be instituted in England.

Prices: taxes and minimum prices – conclusions and recommendations

325. The consumption of alcohol, like that of almost all other commodities, is sensitive to changes in price as all studies have shown. Because some countries with high alcohol prices have high levels of per capita consumption and vice versa some countries with low levels of consumption have low prices, it is sometimes implied that alcohol sales do not respond to price changes. This is economic illiteracy. Different countries, like different people and groups, respond differently to price, but they all respond. Studies have shown varying elasticities of demand. The increase in alcohol consumption over the last 50 years is very strongly correlated with its increasing affordability.

326. Increasing the price of alcohol is thus the most powerful tool at the disposal of a Government. The key argument made by the drinks industry and others opposed to a rise in price is that it would be unfair on moderate drinkers. We do not think this is a serious argument. The Sheffield study found that for the moderate drinker consuming 6 units per week a minimum price of 40p per unit would increase the cost by about 11p per week. At 40p per unit a woman drinking the recommended maximum of 15 units could buy her weekly total of alcohol for £6.

327. Opponents also claim that heavier drinkers are insensitive to price changes, but these drinkers will be most affected by price rises since they consume so much of the alcohol purchased in the country (10% of the population drink 44% of the alcohol consumed; 75% of alcohol is drunk by people who exceed the recommended limits).

APPENDIX 2

328. We believe that the Government should introduce minimum pricing for the following reasons:

- It would affect most of all those who drink cheap alcohol, in particular young binge-drinkers and heavy low income drinkers who suffer most from liver disease

- It is estimated that a minimum price of 50p per unit would save over 3,000 lives per year, of 40p 1,100 lives per year.

- Unlike rises in duty (which could be absorbed by the supermarkets' suppliers and which affect all sellers of alcohol) it would benefit traditional pubs and discourage pre-loading. For this reason it is supported by CAMRA

- It would encourage a switch to weaker wines and beers.

329. However, without an increase in duty minimum pricing will lead to an increase in the profits of supermarkets and the drinks industry and an increase in marketing, promotions and non-price competition. The Treasury must take into account public health when determining levels of taxation on alcohol as it does with tobacco. Alcohol duty should continue to rise year on year above incomes, but unlike in recent years duty increases should predominantly be on stronger alcoholic drinks notably on spirits.

330. The duty on spirits per litre of pure alcohol was 60% of male average manual weekly earnings in 1947; in 1973 (when VAT was imposed in addition to duty) duty was 16% of earnings; by 1983 it was 11% and by 2002 it had fallen to 5%. We recommend that in stages the duty on spirits be returned in stages to the same percentage of average earnings as in the 1980s. Cider is an extraordinary anomaly; the duty on industrial cider should be increased. To protect small real cider producers, their product should be subject to a lower duty. Beer under 2.8% can be taxed at a different rate: we recommend that duty be reduced on these weak beers; although at present there a few producers of beers of this strength, the cut should encourage substitution.

331. In the longer run the Government should seek to change EU rules to allow higher and more logical levels of duty on stronger wines and beers; it should also seek to raise the strength of beer which can be subject to a lower duty rate from 2.8 to slightly higher levels.

332. The introduction of minimum pricing would encourage producers to intensify their marketing. This will make it all the more important to control marketing.