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Minimum Unit Pricing & Banning Below Cost Selling: Estimated policy impacts in England 2014/15

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Sheffield Alcohol Policy Model

- Provides estimates of the potential effects of future alcohol policies
- Estimates are based on analyses of:
 - UK survey data describing people's alcohol spending and consumption
 - UK administrative data describing alcohol prices, rates of alcohol-related harm and associated costs to society
 - Best available published scientific evidence
- For more information see:
<http://www.shef.ac.uk/scharr/sections/ph/research/alpol/research/sapm>



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All results are for England
only and assume policies
are introduced in 2014/15

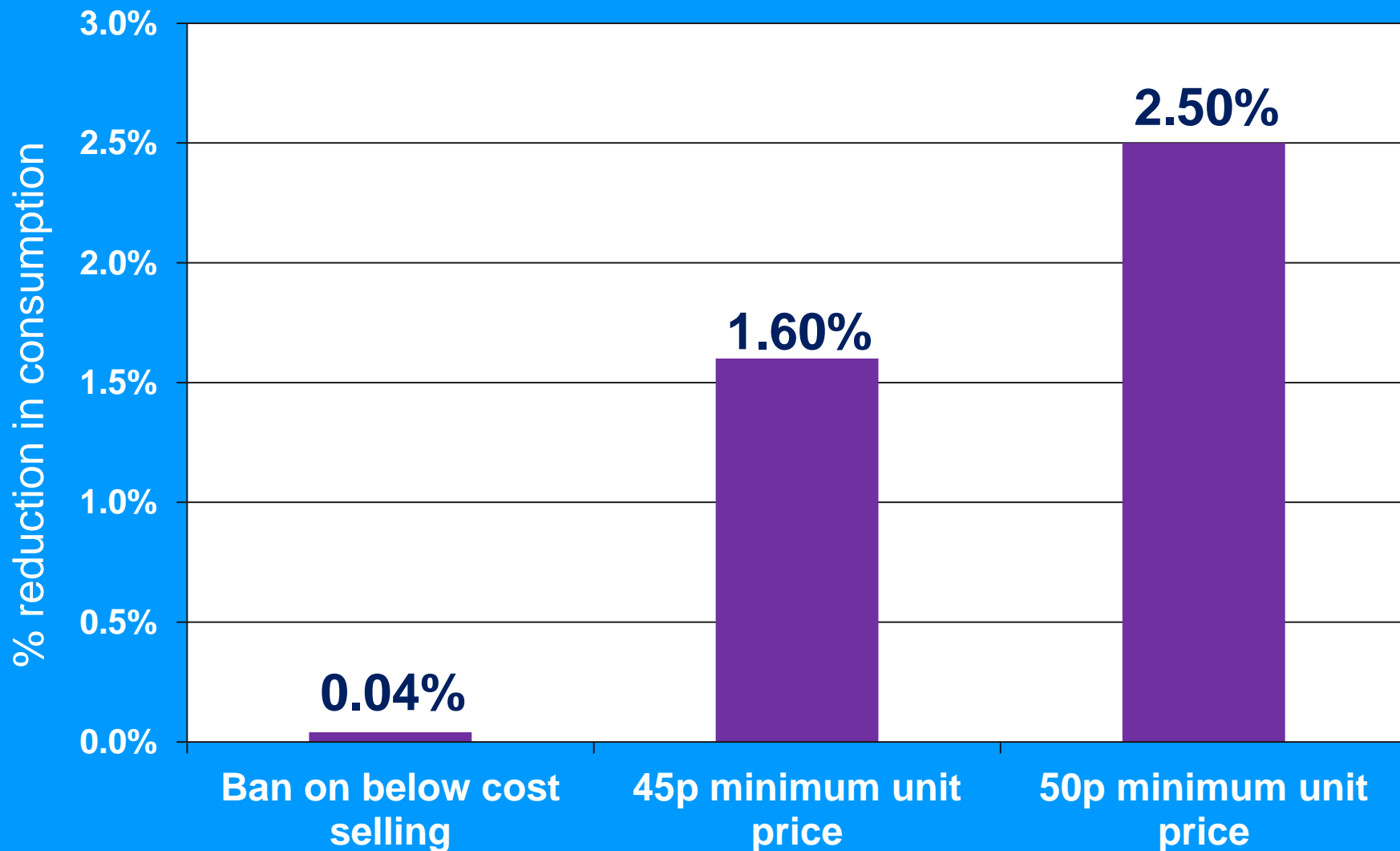


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1. HEADLINE RESULTS



Percentage reduction in consumption for different alcohol pricing policies



Estimated effects of minimum unit pricing in England in 2014/15

45p minimum price per unit

Overall reduction in consumption	1.6%	
Annual health savings in year 10		
Deaths	624	
Hospital admissions	23,700	
First year reductions		
Crimes	34,200	
Days absent	247,600	
Total cost reduction over 10 years (discounted)		
Health	£0.4bn (direct)	£1.6bn (QALY ¹)
Crime	£1.1bn (direct + QALY ¹)	
Workplace absence	£0.2bn	
Total	£3.4bn	
Revenue changes		
Retailers	+£201m (off-trade)	-£62m (on-trade)
Exchequer (Duty + VAT)	-£18m (off-trade)	-£31m (on-trade)

¹ Quality adjusted life years place a financial value on years of life lost or quality of life lost due to morbidity, mortality or crime

Estimated effects of minimum unit pricing in England in 2014/15

50p minimum price per unit		
Overall reduction in consumption		2.5%
Annual health savings in year 10		
Deaths		960
Hospital admissions		35,100
First year reductions		
Crimes		50,700
Days absent		376,600
Total cost reduction over 10 years (discounted)		
Health	£0.6bn (direct)	£2.4bn (QALY ¹)
Crime	£1.7bn (direct + QALY ¹)	
Workplace absence		£0.3bn
Total		£5.1bn
Revenue changes		
Retailers	+£375m (off-trade)	-£61m (on-trade)
Duty + VAT	-£30m (off-trade)	-£32m (on-trade)

¹ Quality adjusted life years place a financial value on years of life lost or quality of life lost due to morbidity, mortality or crime

Estimated effects of a ban on below cost selling pricing in England in 2014/15

Ban on below cost selling		
Overall reduction in consumption	0.04%	
Annual health savings in year 10		
Deaths	14	
Hospital admissions	500	
First year reductions		
Crimes	900	
Days absent	5,700	
Total cost reduction over 10 years (discounted)		
Health	£10m (direct)	£33m (QALY ¹)
Crime	£30m (direct + QALY ¹)	
Workplace absence	£5m	
Total	£77m	
Revenue changes		
Retailers	+£5.4m (off-trade)	-£0.7m (on-trade)
Duty + VAT	-£1.1m (off-trade)	-£0.4m (on-trade)

¹ Quality adjusted life years place a financial value on years of life lost or quality of life lost due morbidity, mortality or crime



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2. IMPACTS ON CONSUMPTION GROUPS



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1 unit = 10ml or 8g of pure ethanol



Beer (4% ABV)
1 pint \approx 2 units



Wine (12% ABV)
175ml glass \approx 2 units
750ml bottle \approx 9 units

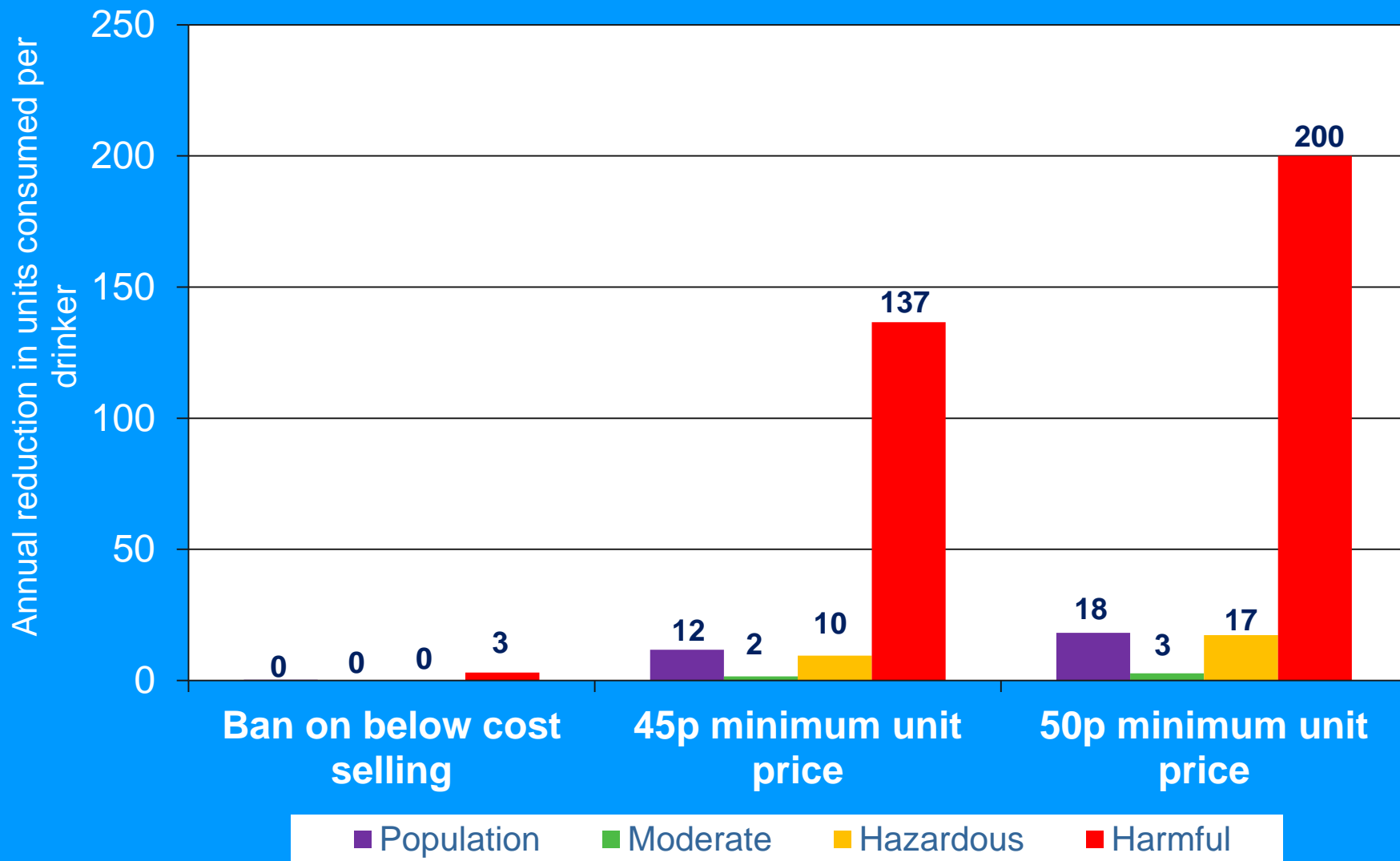


Whiskey (40% ABV)
25ml measure \approx 1 unit

Drinker type	Units per week	
	Men	Women
Moderate	Less than 21	Less than 14
Hazardous	21 – 50	14 – 35
Harmful	50+	35+



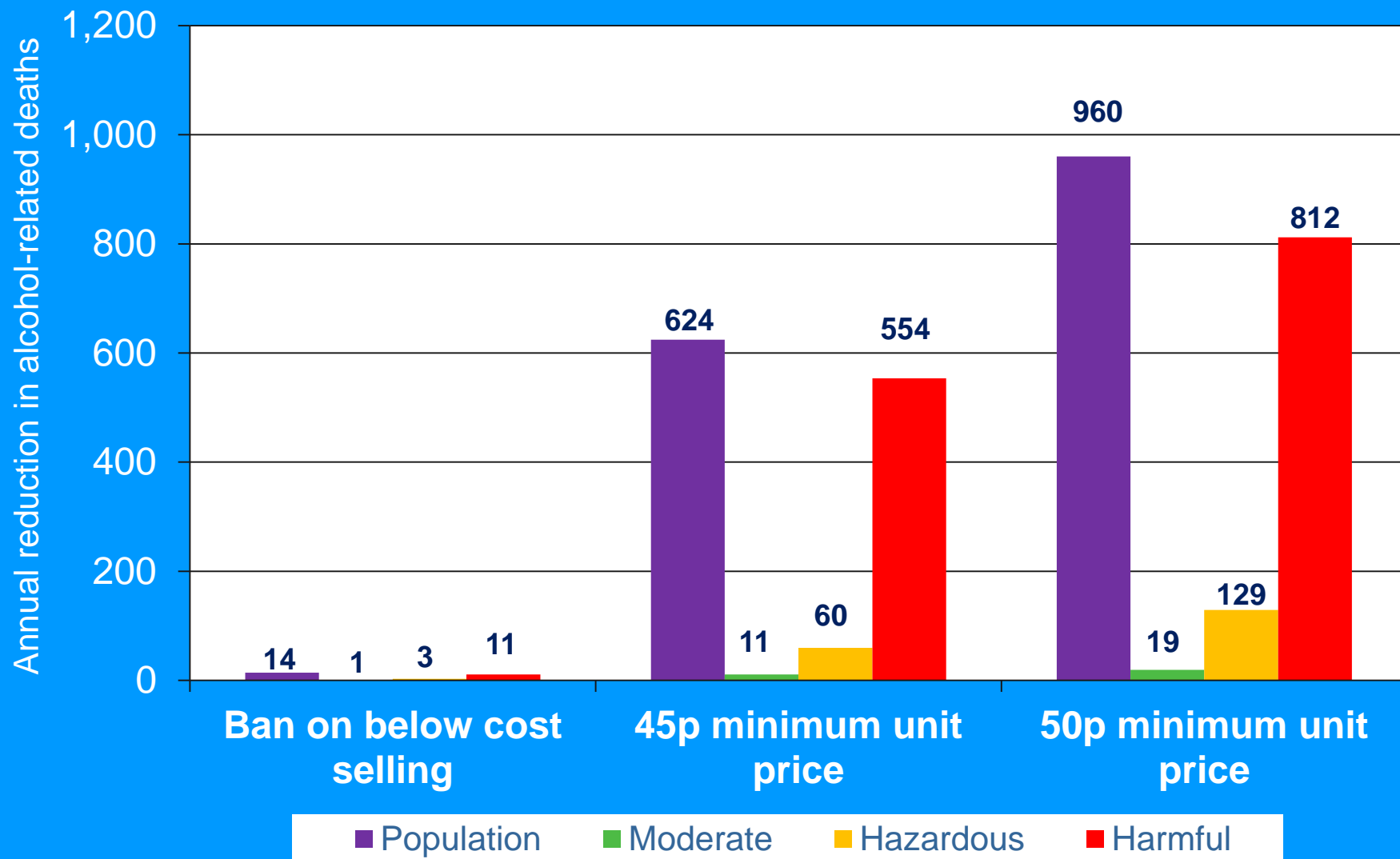
Reduction in annual units of alcohol consumed by consumption group



Zeros represent reductions which are estimated to average less than 0.5 units per person



Reduction in alcohol-related deaths in year 10 by consumption group



Impacts of a 45p minimum unit price by consumption group

	Moderate drinkers	Hazardous drinkers	Harmful drinkers
% reduction in consumption	-0.6%	-0.7%	-3.7%
Annual reduction in units drunk	-2	-10	-137
% change in spending on alcohol	+0.3%	+0.9%	-0.1%
Annual change in spending on alcohol	+£0.90	+£9.80	-£1.70
Reduction in alcohol-related deaths ¹	-11	-60	-554
Reduction in alcohol-related hospital admissions ¹	-1,400	-1,800	-20,500

¹ Annual reductions in health harms in year 10 after policy implementation

Impacts of a 50p minimum unit price by consumption group

	Moderate drinkers	Hazardous drinkers	Harmful drinkers
% reduction in consumption	-1.0%	-1.2%	-5.4%
Annual reduction in units drunk	-3	-17	-200
% change in spending on alcohol	+0.9%	+1.8%	+0.6%
Annual change in spending on alcohol	+£2.60	+£21.10	+£15.70
Reduction in alcohol-related deaths ¹	-19	-129	-812
Reduction in alcohol-related hospital admissions ¹	-2,400	-3,800	-29,000

¹ Annual reductions in health harms in year 10 after policy implementation

Impacts of a ban on below cost selling by consumption group

	Moderate drinkers	Hazardous drinkers	Harmful drinkers
% reduction in consumption	-0.03%	-0.01%	-0.08%
Annual reduction in units drunk	-0.1	-0.1	-3.0
% change in spending on alcohol	+0.00%	+0.03%	+0.01%
Annual change in spending on alcohol	+£0.00	+£0.30	+£0.30
Reduction in alcohol-related deaths ^{1,2}	-1	-3	-11
Reduction in alcohol-related hospital admissions ¹	-100	-100	-400

¹ Annual reductions in health harms in year 10 after policy implementation

² Numbers may not sum to total in previous slides due to rounding



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3. IMPACTS ON INCOME GROUPS



Definition of income groups

Low income

Below the relative poverty
line

27% of population

Higher income

At or above the relative
poverty line

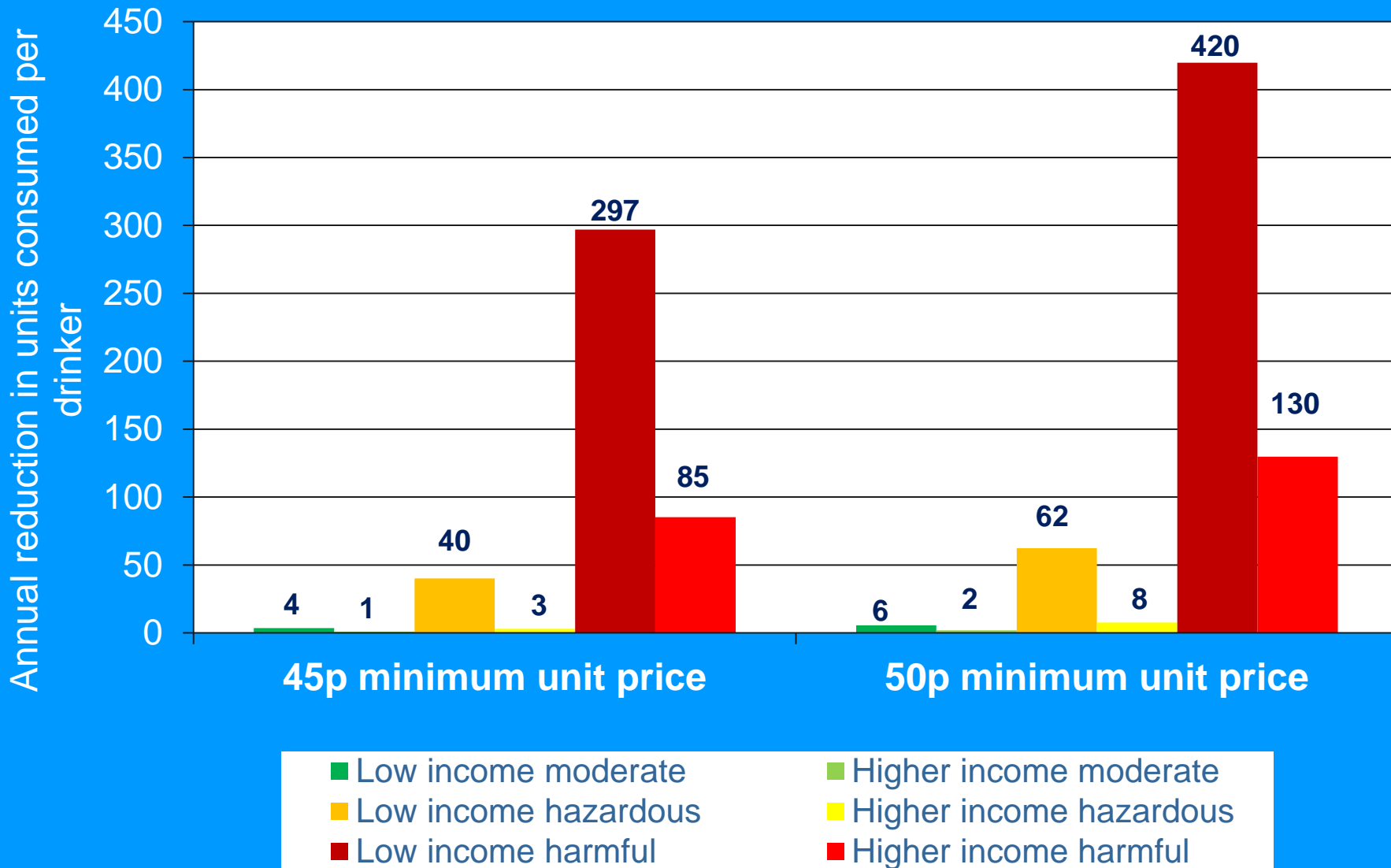
73% of population

Relative poverty line: 60% of median
national equivalised household¹

¹ The relative poverty line defines poverty as living below a proportion of the average income in the population. Income is 'equivalised' to take account of the impact of household size and composition on disposable income.



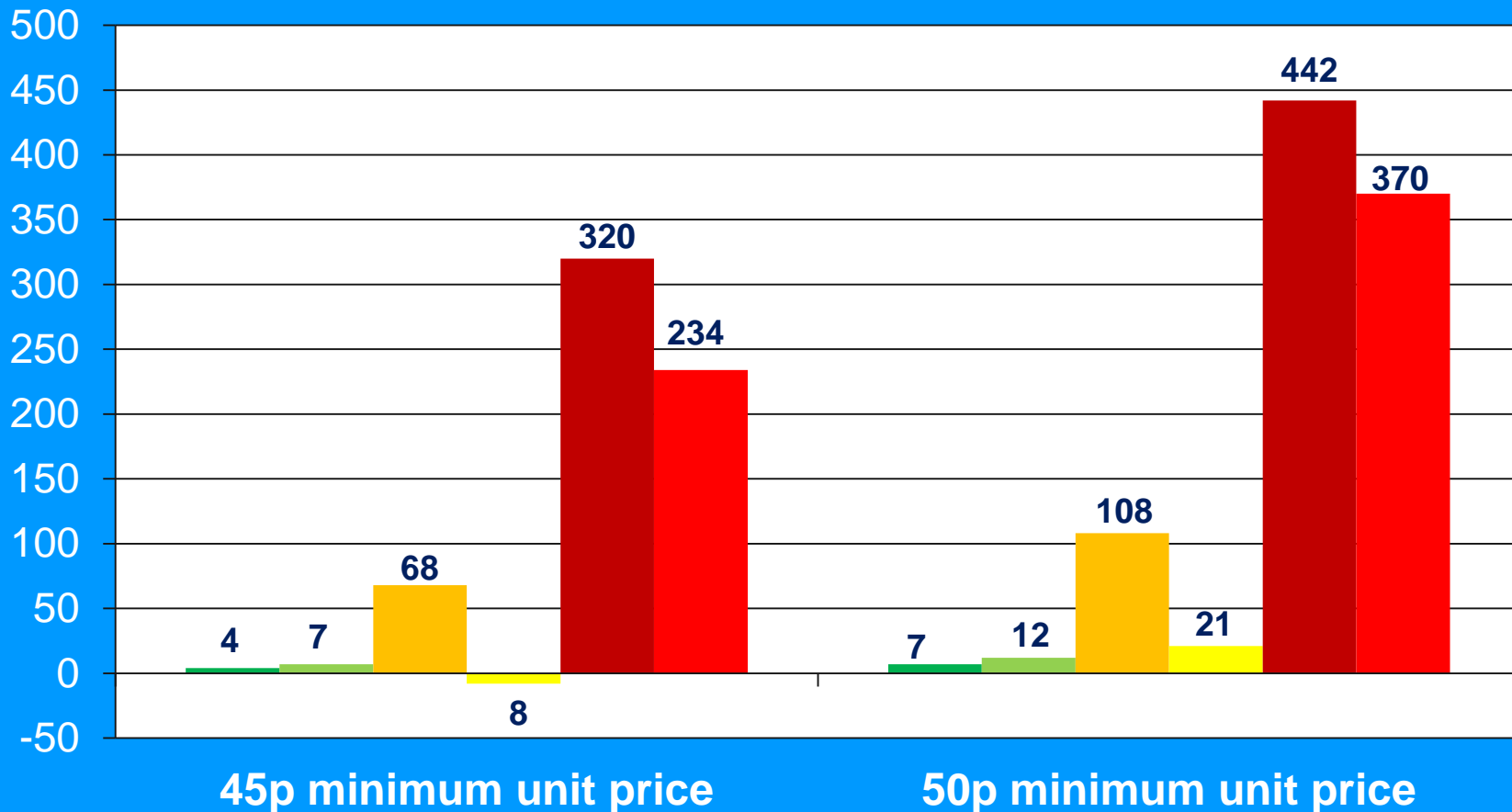
Reduction in annual units of alcohol consumed by income and consumption group





Reduction in alcohol-related deaths in year 10 by income and consumption group

Annual reduction in alcohol-related deaths



- Low income moderate
- Higher income moderate
- Low income hazardous
- Higher income hazardous
- Low income harmful
- Higher income harmful

Impacts of a 45p minimum unit price by income and consumption group

	Moderate drinkers		Hazardous drinkers		Harmful drinkers	
	Low income	Higher income	Low income	Higher income	Low income	Higher income
% reduction in consumption	-1.5%	-0.3%	-2.8%	-0.2%	-7.5%	-2.3%
Annual reduction in units drunk	-4	-1	-40	-3	-297	-85
% change in spending on alcohol	+0.4%	+0.4%	+0.3%	+1.0%	-1.4%	+0.3%
Annual change in spending on alcohol	+£0.30	+£1.20	+£3.00	+£11.20	-£37.40	+£9.80
Reduction in alcohol-related deaths ¹	-4	-7	-68	+8	-320	-234
Reduction in alcohol-related hospital admissions ¹	-900	-500	-1,900	0 ²	-12,900	-7,700

¹ Annual reductions in health harms in year 10 after policy implementation

² Zero represents a reduction which is estimated to be less than 50

Impacts of a 50p minimum unit price by income and consumption group

	Moderate drinkers		Hazardous drinkers		Harmful drinkers	
	Low income	Higher income	Low income	Higher income	Low income	Higher income
% reduction in consumption	-2.3%	-0.6%	-4.4%	-0.5%	-10.6%	-3.6%
Annual reduction in units drunk	-6	-2	-62	-8	-420	-130
% change in spending on alcohol	+2.7%	+0.9%	+1.1%	+2.0%	-1.5%	+1.2%
Annual change in spending on alcohol	+£1.70	+£2.80	+£11.50	+£23.20	-£39.90	+£33.50
Reduction in alcohol-related deaths ¹	-7	-12	-108	-21	-442	-370
Reduction in alcohol-related hospital admissions ¹	-1,400	-900	-2,900	-800	-17,400	-11,500

¹ Annual reductions in health harms in year 10 after policy implementation



For further information:

- Full report on methods and results:
[http://www.sheffield.ac.uk/scharr/sections/
ph/research/alpol/research/newresearch](http://www.sheffield.ac.uk/scharr/sections/ph/research/alpol/research/newresearch)
- Contact: john.holmes@sheffield.ac.uk