The problem with alcohol
Alcohol consumption has more than doubled in the last 40 years. In the North East, almost 50 per cent of men and 30 per cent of women admit to drinking over the Government’s recommended limits. As consumption increase, so does alcohol-related harm:

- Alcohol-related hospital admissions have increased by 116 per cent since 2002/3, with the North East having the highest rate in England
- 50 per cent of all violent crime and domestic violence is alcohol-related
- Alcohol-related issues cost the North East economy around £1.3 billion a year in costs to the NHS, alcohol-related crime and disorder and impact on the economy

The picture in County Durham
In terms of consumption, County Durham is fairly typical of the North East as a whole. Almost nine out of ten drink alcohol, with most of it purchased from supermarkets and consumed at home. Some 16 per cent of County Durham residents admit to drinking to get drunk and around one-third have been in a risky situation because of alcohol, figures which are higher amongst the young.

The latest Local Alcohol Profiles for England present a mixed picture for County Durham. As in the rest of the region, alcohol-related crime and disorder appears to be falling, with alcohol-related recorded crime down nearly 8 per cent. In terms of the health of residents there has been a worrying increase in deaths from chronic liver disease and alcohol-specific hospital admissions amongst women. Alcohol related hospital admissions – the NI 39 indicator against which the Government used to hold localities to account – increased by 5 per cent between 2008/09 and 2009/10, which is slightly lower than the North East average. The profiles also show that County Durham is one of the worst localities in the country for under 18 alcohol specific hospital admissions.

Alcohol misuse also has a significant economic impact on the area, as outlined in the diagram below:

An estimate of the total cost of alcohol misuse in County Durham ranges from £172.6m - £227.9m, this figure is broken down into the three main areas as follows:

**NHS:** £43.9m  
**Crime and licensing:** £59.9m - £99.3m  
**Workplace and economy:** £68.9m - £84.8m
The link between price and consumption
While there is some indication via HMRC data that alcohol sales have fallen slightly in recent years, it does little to address the overall rise in consumption which is estimated to have doubled in the last 40 years.

Figure 1 below illustrates the direct link between the cost of alcohol relative to income and the consumption per person expressed in units. It is no coincidence that alcohol harm has increased when you consider alcohol is 44 per cent more affordable than it was in 1980, with that affordability driven by off licence sales, especially in supermarkets.

Figure 1. Price of Alcohol and consumption

Is a minimum price the answer?
There is no one simple answer to the problems caused by alcohol. The World Health Organisation in its new global strategy recommends that a package of measures is required to address alcohol harm, including educating individuals and regulating availability. A key part of that package is affordability and price. The previous Government commissioned research from Sheffield University which calculated that the introduction of a minimum price of 50p per unit would:

- Reduce the number of deaths from alcohol-related causes by more than a quarter
- Reduce the number of crimes by 46,000
- Reduce hospital admissions by almost 100,000
- Save the country an estimated £1 billion a year

A targeted measure?
Most policy options affect moderate drinkers in a minor way, simply because they consume only a small amount of alcohol and also because they do not tend to buy as much of the cheap alcohol that is targeted by minimum pricing and off-trade discount bans. Harmful drinkers buy more alcohol and also tend to choose cheap alcohol; therefore they would be most affected.

If a 40p minimum price together with a total off-trade discount ban were introduced:
- Moderate drinkers would be estimated to spend on average about 21p extra per week (around 30p for a 50p unit price)
- Hazardous drinkers would be estimated to spend on average about 112p extra per week
- Harmful drinkers would be estimated to spend on average about 263p extra per week
Research carried out by the University of Aberdeen looking at the impact of a minimum price on lower income groups discovered the following:

- all income groups purchase low price off sales alcohol
- the relationship between income group and the amount of alcohol purchased at the cheapest price (below 30p a unit) is not particularly strong although the lower income groups do purchase more than the highest income groups
- at prices of 30p to 40p and 40p to 50p the amount purchased tends to increase with income
- middle-to-higher income groups are the main purchasers of alcohol priced between 30p and 50p
- for individual alcohol types (beer, lager, table wine and spirits), the lowest income groups purchase less than the average number of units below 30p and below 40p
- low income households are less likely to purchase off sales alcohol at all

The key to minimum price is that it reduces consumption amongst heavier drinkers. We know that heavier drinkers from lower income groups tend to suffer the greatest health harm and therefore have the most to benefit from preventing alcohol being sold at pocket money prices

**What about our pubs and clubs?**

As the figure below illustrates, the price of drinks in pubs and clubs would remain largely unaffected by the introduction of a minimum price per unit set at 50p, the level suggested by the previous Chief Medical Officer.

![Price Comparison Chart]

In fact, it could be argued that closing the price differential between on and off-licence premises would reverse the trend towards home drinking and pre-loading, thus protecting pubs and clubs.

A recent survey of 244 landlords across the North East carried out by Balance revealed:

- 56% experienced a decline in business last year
- 72% saw customers coming in later – pre-loading (drinking before going on a night out)
- 88% believe supermarket price promotions hit their trade
- 51% have cut their prices to compete
• 72% would welcome legislation to address cheap supermarket prices
• 81% would support the introduction of a minimum price in the North East

What's more, organizations such as CAMRA, the British Institute of Innkeeping and The Publican trade magazine have all come out in favour of minimum price.

What does the public think?
A recent survey carried out by Balance reveals that 39 per cent of people questioned in Durham and Darlington believed supermarket prices for alcohol to be too cheap, whereas only 9 per cent thought them too expensive. There was a high understanding of minimum price (63 per cent) with 52 per cent of people questioned supporting its introduction and only 23 per cent opposed. Support for minimum price increases dramatically if it is seen to address issues such as rowdy behaviour and alcohol related violent crime. In Durham and Darlington support for the introduction of minimum price increases to 84 per cent if it reduced drunk and rowdy behaviour in public.

Who else supports minimum price?
A whole range of organisations have come out in favour of a minimum price, including the British Medical Association, the Royal College of Physicians and the National Institute for Health and Clinical Excellence

The Government’s response
The Government has stated that addressing alcohol harm is a priority and it has been active in this area. For example, the Police and Social Responsibility Bill which is currently going through Parliament is expected to give greater local flexibility over the granting of new licenses and the reviewing of existing ones. They have also launched an alcohol Responsibility Deal – a voluntary agreement with industry designed to improve unit and health information on products, amongst other things.

In terms of the affordability of alcohol, the Government promised to ban sales at below cost price. They haven’t yet done so through they’ve promised to ban sales below duty plus VAT. This will have little or no effect on consumption levels. A recent price survey carried out by Balance and partners across the north of England and Scotland revealed that the measure would affect only two out of 600 products examined. At the time the survey was carried out it was still possible to buy alcohol for 12p per unit in some localities across the North East.

What are other localities doing?
The Government has previously indicated that, as part of its localism agenda, it is open to the introduction of a minimum price through local by-laws. The Association of Greater Manchester Authorities has received legal advice to suggest this would be possible and it has been joined by councils in Liverpool and Chester in exploring how a local by-law could be introduced. There are preliminary plans to hold a conference in Manchester in the autumn for local authority representatives to understand and discuss the possibility of taking this route.

In the North East, Middlesbrough has chosen a different route. Within their alcohol strategy they have included a minimum price of 50p that will only be enforced if premises found to be having problems have been selling alcohol at below that price. The minimum price would then form part of the review. It is too early to say what, if any, effect this is having.
Stockton Borough Council has taken the principle of both a national and local minimum price to a number of partnership bodies, including the local strategic partnership, where it has received support in principle. Hartlepool has been taking to the streets to find out people’s views about minimum price. Newcastle City Council has very recently obtained support from their full Council to lobby the Government in relation to a national minimum price as well as to work with neighbouring authorities to develop a regional minimum price per unit in the absence of a national minimum unit price.

In Scotland, the position is much clearer. The SNP, who now have an overall majority in the Scottish Parliament, has said it will introduce a minimum price per unit of alcohol as a priority. It is likely to be introduced this month and some commentators are saying it could be law by next year. However, the alcohol industry is increasing its lobbying activity and the measure may well face legal challenge.

**What is the legal position?**
The Association of Greater Manchester Authorities has received legal advice suggesting a local by-law would be possible. On the wider question of legality, the Scottish Government has received detailed advice, key to which is the fact that under European law intervention in the operation of a market can be legally justified in certain circumstances on the grounds of the protection of public health. Fixing minimum prices for alcoholic drinks is also possible under UK competition law provided they are imposed on licensees by law, or by a public body exercising public functions imposed on it by an enactment. This position was confirmed by the Office of Fair Trading (OFT) in written advice to local authorities in England. The OFT confirmed “…where minimum prices are imposed at the sole instigation of a public authority such as the police or local authority ... there is unlikely to be agreement between undertakings that can be subject to a challenge under the Act.” (Competition Act 1998).

However, it is likely that any introduction would be subject to legal challenge by the alcohol industry.