

## Update on Minimum Unit Price Alcohol

### **1.0 Policy background**

- 1.1 The Welsh Government's Programme of Government for 2016-21, *Taking Wales Forward*, re-emphasised their commitment to reducing the prevalence of problematic alcohol misuse and the number of alcohol-related deaths. It includes a specific commitment to continue to reduce excessive alcohol consumption. The introduction of a minimum price for alcohol will sit alongside other key commitments to deliver a healthier and more prosperous Wales.
- 1.2 The Welsh Government's 10- year substance misuse strategy for 2008-18, *Working Together to Reduce Harm*, sets out four action areas: Preventing harm; Support for substance misusers to improve their health and maintain recovery; Supporting and protecting families; Tackling availability and protecting individuals and communities via enforcement activity.
- 1.3 Further actions to reduce excessive alcohol consumption were set out in the *Working Together to Reduce Harm (Substance Misuse) Delivery Plan 2016-18*, which was published in September 2016.
- 1.4 The Public Health (Minimum Price for Alcohol) (Wales) Bill, in common with the Public Health (Wales) Act 2017, seeks to build on these commitments. The Bill complements the approach outlined in the Wellbeing of Future Generations (Wales) Act 2015, which positions principles such as sustainability, prevention and early intervention at the centre of public services in Wales.
- 1.5 There is strong evidence that varying the affordability of alcohol is a legitimate means to address alcohol-related harm.
- 1.6 WG does not have the powers to raise tax and so cannot use tax to influence the price of alcohol. However, MUP is seen as a better policy tool because a minimum price per unit (unlike a tax increase) would prevent retailers from passing on any increase to producers or absorbing it themselves. It would also encourage producers to reduce the strength of products.

### **2.0 The Bill**

- 2.1 The Public Health (Minimum Price for Alcohol) (Wales) Bill, introduced on 23<sup>rd</sup> Oct 2017, is targeted at protecting the health of harmful and hazardous drinkers who tend to consume greater amounts of low-cost and high-alcohol content products.
- 2.2 The Bill provides for a minimum price for the sale and supply of alcohol in Wales and makes it an offence for alcohol to be sold or supplied below that price.
- 2.3 The formula for determining the MUP is  $M \times S \times V$  (Minimum unit price x Strength x Volume).
  - (a) M is the minimum unit price (to be specified in regulations but likely to be 50p);
  - (b) S is the strength of the alcohol, expressed as a cardinal number (so for instance if the strength is 5%, the relevant cardinal number will be 5);
  - (c) V is the volume of alcohol in litres.
- 2.4 While it is anticipated that minimum pricing will mean people will consume less alcohol, they will pay more for products previously sold at below the applicable minimum price. Revenue will go to

drinks producers and retailers, not the Welsh Government. Both off-trade and on-trade retail sectors are estimated to see increased revenues, as a result of the introduction of a minimum price for alcohol. Others in the supply chain, including producers, may also see increased revenues.

- 2.5 The MUP will apply to all retail (including online or telephone delivery) sales of alcohol to a person in Wales from qualifying premises (as defined in the Licensing Act 2003). It will apply to multi-buy or special offer transactions and where alcohol is supplied together with goods or services.
- 2.6 LAs will have the discretion to prosecute for selling alcohol below the MUP but are encouraged to promote compliance and resolve issues voluntarily by raising awareness of relevant standards and legal requirements e.g through providing information and guidance to businesses on how to calculate the applicable minimum price for alcohol, building on guidance, which will be published by the WG.

### **3.0 Progress of the Bill**

- 3.1 Stage 1: The Debate in Plenary on 13<sup>th</sup> March 2018 agreed the general principles of the Bill.
- 3.2 Stage 2: Detailed consideration by committees will now take place on 3<sup>rd</sup> May 2018.
- 3.3 Notice of amendment was received on 9<sup>th</sup> April proposing that WG should:
- Consult on Regs, which will remain in force for a maximum of 6 years unless WG make Regs providing otherwise.
  - Publish guidance for retailers
  - Evaluate and Report on the operation and effect of the Act after 2 years
- 3.4 MUP will come into effect 12 months after the date of Royal Assent to the Public Health (Minimum Price for Alcohol) (Wales) Act 2018.

### **4.0 Funding to LAs**

- 4.1 Due to resource implications , WG have agreed to provide additional funding for LAs for 3 years to implement the programme .

#### **Recommendations**

- 1 The Trade (all licensed premises including clubs) should be informed about the MUP requirements (and the reasons for them) through Welsh Government Guidance Leaflets posted to alcohol retailers by the local Licensing Authorities, who hold databases of local alcohol suppliers, and by access to LA website information (with links to the definitive Welsh Government Guidance).
- 2 This should be supported by local roadshows or seminars for affected businesses run by Local Authorities and funded by Welsh Government.
- 3 After the first 3 months, revisits to non-compliant premises should be made and FPNs issued where recommendations had not been heeded.
- 4 Thereafter, enforcement activity should focus on non-compliant premises only, which will be highlighted through experience and intelligence.