

# Alcohol Harm Prevention Levy

October 2024

## Summary

- Alcohol harm in Scotland is a public health emergency, with alcohol-specific deaths at a 15-year high.
- Alcohol use costs the Scottish economy up to £10 billion each year, including up to £700 million in health and social care costs.
- Currently, retailers retain the additional revenue arising from minimum unit pricing, estimated at over £30 million per year plus an additional £16.5m from the increase to the MUP in September 2024.
- The ‘polluter pays’ principle should be applied to the sale of alcohol, meaning retailers should pay a levy towards mitigating the health and social costs caused by the products they sell.
- An alcohol harm prevention levy on alcohol retailers through a public health supplement on non-domestic rates could raise £57m per year for local prevention, treatment services, and recovery support.
- A levy could fund immediate action at local level to address the public health emergency, including non-invasive liver scans to improve early detection of liver disease, and supporting recovery communities.

## Alcohol harm in Scotland

Levels of alcohol consumption remain consistently high in Scotland, damaging our health:

- Around **a quarter of adults** in Scotland drink at levels that **put their health at risk**.<sup>1</sup>
- It is estimated that alcohol claims **over 50 lives each week** in Scotland.<sup>2</sup>
- Every **15 minutes, someone is admitted to hospital due to alcohol**. Almost all (93%) of these are emergency admissions.<sup>3</sup>

The pandemic **changed our drinking habits**, resulting in increased consumption amongst those already drinking at higher levels.<sup>4</sup> This was a major factor in the **25% increase in alcohol-specific deaths since 2019**, reaching the **highest level in 15 years**.<sup>5</sup> The Scottish Government has rightly recognised alcohol harm as a **public health emergency**.<sup>6</sup>

Hazardous and harmful drinkers are still drinking more than they did before the pandemic.<sup>7</sup> **If these changes in consumption persist into the long term, there will be an additional 7,536 deaths and 72,140 hospitalisations over 20 years, costing £82.2million by 2040 in hospital costs alone**.<sup>8</sup>

Alcohol harm does not affect all Scots equally. People in our **most deprived communities are over four times more likely to die** and seven times more likely to be admitted to hospital because of alcohol than people in the wealthiest.<sup>9</sup> The projected increases in alcohol harm will disproportionately affect people in our most deprived communities.<sup>10</sup>

## Alcohol retailers are profiting from minimum unit price and the pandemic

Although minimum unit pricing (MUP) has reduced off-trade sales by 3.6%,<sup>11</sup> profit margins on many products have increased due to the higher prices. **Therefore, retailers have likely benefitted from MUP:**

- Sales data show an **overall increase in revenue for alcohol retailers**<sup>12</sup>
- Estimates on the **additional revenue generated for shops from MUP range from £32m per year** (Fraser of Allander Institute) **to £383m per year** (Institute for Fiscal Studies).<sup>13 14</sup>
- It is unclear how this impacts on profits, but producers themselves believe **retailers are benefiting from increased profits**.<sup>15</sup>

It is estimated that the **increase in MUP to 65p per unit from 30 September 2024** will result in a **further increase in off-trade retailer revenue of £16.5m per year**.<sup>16</sup> Following the pandemic, off-trade retailers **now sell 85% of all the alcohol in Scotland**.<sup>17</sup>

### **An alcohol harm prevention levy to make industry pay their way**

Alcohol use costs the Scottish economy **up to £10 billion** each year, including up to **£700 million in health and social care costs**.<sup>18</sup> **Retailers should pay towards mitigating these health and social costs caused by the products they sell** – following the ‘polluter pays’ principle.

**An alcohol harm prevention levy would generate funds for use at local level, eg. to identify people at increased risk of liver disease earlier and to provide support for people in recovery.** The levy would apply to retailers licensed to sell alcohol, via a supplement on non-domestic business rates. This would draw on the **tried and tested model of the public health supplement, which applied to large retailers selling both alcohol and tobacco between 2012 and 2015, raising over £95m**. The Scottish Government committed to revisiting a public health supplement in advance of the next Budget.<sup>19</sup>

The **Fraser of Allander Institute** estimates that, if set at the same level as the previous public health supplement (13p per pound of rateable value), **the levy would raise £57m a year**.<sup>20</sup> This rises to around £70m per year if set at 16p/£1, with each 1p increase in level raising £4.4m. The levy would **principally affect large supermarket chains, making up 86% of the revenues raised**. Money would be redistributed to local authorities.

### **A levy could help fund an emergency response**

The introduction of an **alcohol harm prevention levy** would support **urgent action required to effectively address the public health emergency**, as called for by over 30 organisations.<sup>21</sup> An emergency response should focus on effective action that can be taken immediately, followed by a longer-term plan to reduce alcohol consumption and related harm into the future.

A levy could **fund these immediate actions**:

#### **✓ Non-invasive liver scans (e.g. FibroScan) to improve early detection of liver disease**

More than 60% of alcohol-specific deaths are caused by alcohol-related liver disease.<sup>22</sup> **Liver disease is a silent killer that is largely asymptomatic in its early stages.** Tragically, three-quarters of cirrhosis patients are diagnosed in A&E, when it is too late for effective treatment or intervention.<sup>23</sup> One in four people diagnosed with alcohol-related liver disease in hospital die within 60 days.<sup>24</sup> However, **alcohol-related liver disease is entirely preventable and can be reversed if detected earlier.**

Early detection of liver disease could be achieved through **targeted fibrosis assessments in primary care and community settings**. This could include **non-invasive liver scans, such as FibroScan**, which are already approved by the National Institute for Clinical Excellence (NICE).<sup>25</sup> Research indicates that FibroScan triggers a recognition about the need to change lifestyle behaviour, with 29% of patients reducing their alcohol consumption by 10%.<sup>26</sup>

### ✓ Supporting recovery communities

Recovery communities are a **critical component of efforts to reduce alcohol deaths**. Recovery communities, including local recovery groups and lived experience initiatives, can engage people who may not access formal treatment services. They offer a **valuable peer-support network that fosters social connection, reduces isolation, and helps individuals manage alcohol use and maintain recovery**.

These communities also play a **crucial role in maintaining contact with people who may temporarily disengage from treatment, helping them reconnect with services when they are ready**. By doing so, they provide a lifeline and reduce the risk of people falling through the cracks of the support system.

Currently, **many recovery and peer support groups are run entirely, or almost entirely, on a voluntary basis**. The need for investment in peer support and recovery communities came out clearly in our discussions with people in recovery on an alcohol harm prevention levy.<sup>27</sup> Many identified peer groups, recovery communities and activities as important parts of their recovery.

The **growth of these community-based initiatives should be supported and strengthened**, including by creating strong partnerships between statutory services and recovery groups.

### A new alcohol strategy

The Scottish Government needs to take immediate action to address the alcohol emergency, however they also need to develop **an updated long-term strategy for tackling alcohol harm**. It is crucial that people who are experiencing alcohol problems and their families have quick, easy access to appropriate treatment and support. This must be coupled with effective prevention policies to reduce harm and protect future generations. The strategy should include ongoing **increased investment in treatment and care**, preventative measures such as **restricting alcohol marketing**, and **raising awareness of the health risks of alcohol through mandatory labelling**.

### About Alcohol Focus Scotland

[Alcohol Focus Scotland](https://www.alcohol-focus-scotland.org.uk) (AFS) is the independent charity working to prevent and reduce alcohol harm. We want to see fewer people have their health damaged or lives cut short due to alcohol, fewer children and families suffering because of other people's drinking, and communities free from alcohol-related crime. Our work involves gathering and sharing evidence of the harm caused by alcohol; promoting effective policies to prevent and reduce this harm; and developing learning opportunities and resources to support best practice.

For more information, contact Amy Smith, Senior Policy Coordinator at [amy.smith@alcohol-focus-scotland.org.uk](mailto:amy.smith@alcohol-focus-scotland.org.uk)



*"Being able to get out there and engage with my peers has helped me massively. There needs to be more money for that."*

Person in recovery

## References

- <sup>1</sup> Hinchliffe, S. et al. (2022). [The Scottish Health Survey 2021 edition. Volume 1, Main Report](#). Scottish Government.
- <sup>2</sup> Public Health Scotland (2024). [Alcohol Consumption and Harms Dashboard](#).
- <sup>3</sup> Public Health Scotland (2023). [Alcohol related hospital statistics. Scotland financial year 2021 to 2022](#).
- <sup>4</sup> ScotCen Social Research (2023). [The Scottish Health Survey 2022. Chapter 6 – Alcohol Tables](#). The Scottish Government; ScotCen Social Research (2020). [The Scottish Health Survey 2019. Chapter 6 – Alcohol Tables](#). The Scottish Government..
- <sup>5</sup> National Records of Scotland (2024). [Alcohol-specific deaths 2023](#).
- <sup>6</sup> Scottish Government (2021). [Scottish Budget 2022 to 2023](#); Scottish Government (2021). [Scottish Budget 2022 to 2023: Chapter 4 Health & Social Care Portfolio](#).
- <sup>7</sup> Hazardous and harmful drinkers consumed an average of 32.9 units per week in 2022 compared to 30.9 units per week before the pandemic. ScotCen Social Research (2023). [The Scottish Health Survey 2022. Chapter 6 – Alcohol Tables](#). The Scottish Government; ScotCen Social Research (2020). [The Scottish Health Survey 2019. Chapter 6 – Alcohol Tables](#). The Scottish Government.
- <sup>8</sup> Angus, C. et al. (2023). [New modelling of alcohol pricing policies, alcohol consumption and harm in Scotland: An adaptation of the Sheffield Tobacco and Alcohol Policy Model - Final Report](#). University of Sheffield.
- <sup>9</sup> National Records of Scotland (2024). [Alcohol-specific deaths 2023](#).
- <sup>10</sup> Angus, C. et al. (2023). [New modelling of alcohol pricing policies, alcohol consumption and harm in Scotland: An adaptation of the Sheffield Tobacco and Alcohol Policy Model - Final Report](#). University of Sheffield.
- <sup>11</sup> Giles, L. et al. (2022). [Evaluating the impact of Minimum Unit Pricing \(MUP\) on sales-based alcohol consumption in Scotland at three years post-implementation](#). Public Health Scotland.
- <sup>12</sup> Public Health Scotland (2023). [Evaluating the impact of minimum unit pricing for alcohol in Scotland: Final report. A synthesis of the evidence](#).
- <sup>13</sup> Fraser of Allander Institute (2024). [Estimating revenues from a proposed levy on non-domestic rates for alcohol retailers in Scotland](#)
- <sup>14</sup> Griffith, R. et al. (2022). Price floors and externality correction. *The Economic Journal*, 132(646), 2273-2289.
- <sup>15</sup> Public Health Scotland (2023). [Minimum unit pricing: Impacts on the alcoholic drinks industry in Scotland. Briefing paper](#).
- <sup>16</sup> Angus, C. et al. (2023). [New modelling of alcohol pricing policies, alcohol consumption and harm in Scotland: An adaptation of the Sheffield Tobacco and Alcohol Policy Model - Final Report](#). University of Sheffield; we refer to the 2023 equivalent prices, as set out in Scottish Government (2023). [Interim Business and Regulatory Impact Assessment of Minimum Unit Pricing \(MUP\) Continuation and future pricing](#).
- <sup>17</sup> Ponce Hardy, V. & Giles, L. (2022). [Monitoring and Evaluating Scotland's Alcohol Strategy: Monitoring Report 2022](#). Public Health Scotland.
- <sup>18</sup> Bhattacharya, A. (2023). [Getting in the spirit? Alcohol and the Scottish economy](#). Social Market Foundation.
- <sup>19</sup> Scottish Government (2023), [Scottish Budget: 2024 to 2025](#).
- <sup>20</sup> Fraser of Allander Institute (2024). [Estimating revenues from a proposed levy on non-domestic rates for alcohol retailers in Scotland](#).
- <sup>21</sup> Alcohol Focus Scotland (19 April 2023). Doctors say lack of response on alcohol deaths could spell disaster for Scotland. *Alcohol Focus Scotland*. <https://www.alcohol-focus-scotland.org.uk/news/doctors-say-lack-of-response-on-alcohol-deaths-could-spell-disaster-for-scotland/>
- <sup>22</sup> National Records of Scotland (2024). [Alcohol-specific deaths 2023](#).
- <sup>23</sup> Williams R, Aspinall R, Bellis M, et al. Addressing liver disease in the UK: a blueprint for attaining excellence in health care and reducing premature mortality from lifestyle issues of excess consumption of alcohol, obesity, and viral hepatitis.
- <sup>24</sup> Roberts, S.E. et al. (2019). Early and late mortality following unscheduled admissions for severe liver disease across England and Wales, *Alimentary Pharmacology & Therapeutics*, 49(10): 1334-45
- <sup>25</sup> <https://www.nice.org.uk/guidance/dg48/resources/fibroscan-for-assessing-liver-fibrosis-and-cirrhosis-outside-secondary-and-specialist-care-pdf-1053817906885>
- <sup>26</sup> <https://nottinghambrc.nihr.ac.uk/evidence/our-case-studies/gi-liver-case-studies/310-scarred-liver-project>
- <sup>27</sup> Alcohol Focus Scotland hosted four sessions to collect views on the introduction of an Alcohol Harm Prevention Levy from people in recovery from an alcohol problem, recovery organisations, and people working in alcohol services. A total of 43 people participated in three sessions, which took place in March and August 2024.

