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Health Committee

Alcohol

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Oral and written evidence

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The Health Committee

The Health Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department of Health and its associated bodies.

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Halewood International
JWT
Molson Coors

Oral evidence

Taken before the Health Committee

on Thursday 23 April 2009

Members present

Mr Kevin Barron, in the Chair

Jim Dowd	Mr Lee Scott
Sandra Gidley	Dr Howard Stoate
Stephen Hesford	Dr Richard Taylor
Dr Doug Naysmith	

Witnesses: **Professor Ian Gilmore**, President, Royal College of Physicians and **Dr Peter Anderson**, Public Health Consultant, gave evidence.

Q1 Chairman: Good morning, gentlemen. Could I welcome you to the first session of our inquiry into alcohol? Would you give us your names and the current position you hold for the record, please?
Professor Gilmore: I am Ian Gilmore; I am President of the Royal College of Physicians. I chair the UK Alcohol Health Alliance and I am a liver specialist at the Royal Liverpool Hospital.
Dr Anderson: My name is Peter Anderson; I am a consultant in public health working as a freelance advisor to the WHO and the European Commission.

Q2 Chairman: Thank you. I think you have both submitted written evidence and we have published the first round of written evidence to this inquiry which will be available. I suppose I ought to declare an interest as well. I have been made an honorary fellow of the Royal College of Physicians and we have also got Dr Richard Taylor who is also a member. My first question is to both of you. I wonder if you could just explain or outline the key harms that result from drinking to excess on a single occasion and drinking to excess regularly.
Professor Gilmore: The harms that result from heavy drinking on a single occasion are really the harms associated with being drunk and losing control, so it is about accidents, violence, unwanted pregnancies, rape and so on. Some people sadly die each year of acute alcohol poisoning. Alcohol is the commonest cause of death in young men from 16 to 24 and that is mainly the result of acute intoxication rather than chronic consumption. The best known ill effect of chronic consumption is cirrhosis of the liver; that is the best marker of alcohol misuse. Not every heavy drinker gets cirrhosis but it is responsible for something in the region of 8000 deaths a year and it is rising remarkably. Since I qualified as a doctor it has gone up almost 10-fold in younger people (25 to 44); it has virtually doubled in the last decade and at least 70% of liver disease (which is now the fifth commonest cause of death in this country) is due to alcohol.
Dr Anderson: I would say something similar. For the single occasion it is mostly accidents and injuries. In fact the risk of those accidents and injuries increases lineally with the frequency with which someone is drinking heavily on a single occasion and almost exponentially with the amount that someone is drinking on a single occasion. For the chronic conditions there are over 60 or so recognised diseases within the WHO's classification of diseases that are causally related to alcohol. In addition to liver cirrhosis there are a wide range of cancers, particularly of the upper part of the throat and the neck as well as with the large bowel, and in women female breast cancer. There is a large range of cardiovascular diseases including hypertension, high blood pressure, certain types of stroke, arrhythmias in the heart. Then there is a whole bag of other diseases that have less importance in terms of public health but are still caused by alcohol. Recently there is a lot of new evidence coming out of alcohol's causal role in communicable diseases, things like tuberculosis and pneumonia.

Q3 Chairman: I assume from what you have both said that in both of these areas alcohol related harm is rising.
Professor Gilmore: Absolutely.

Q4 Chairman: Could you outline how these harms affect different age groups in the United Kingdom and any other important variations in how harms are distributed?
Professor Gilmore: It is of relatively high importance in the young because of the risks of accidents, but it is not just a problem of young people. In fact one of the difficulties in alcohol health is that the spotlight has been on young people; it is very easy to blame other people but some of the biggest rises in alcohol related health harm are in older people. I think there are 300,000 hospital admissions a year in the elderly related to alcohol. It really goes right across the spectrum; it is not just about young people. Clearly we are concerned about young people because they are tomorrow's health problem, if you will, and we know that early regular exposure to alcohol when young makes people more likely to have dependency and other problems in later life, but it is not just about young people.
Dr Anderson: It is really across the whole age spectrum from the foetus in pregnancy (a woman drinking in pregnancy can cause increased risk of foetal damage) all the way through to old age. As

Professor Gilmore has said, the accidents and injuries tend to occur in a younger age whereas the chronic diseases—the cancers, the cardiovascular diseases—tend to occur in older age. The thing with the alcohol harm compared, for example, to the tobacco harm is that to some extent alcohol harm occurs at a slightly younger age than tobacco harm in general. The other main factor is the differences by socio-economic group. There is a lot of evidence that people who are socio-economically disadvantaged are at much greater risk of alcohol related harm even when taking into account differences in drinking patterns and the amount of alcohol consumption. For a given level of alcohol consumption people from lower socio-economic groups tend to get more harm than people from higher socio-economic groups.

Professor Gilmore: You looked at health inequalities recently and alcohol was very much a factor that came up then.

Q5 Dr Stoate: Professor Gilmore, I would like to tease some of these figures out. On the face of it the ONS figures show about 8000 deaths a year from alcohol and yet from the figures you have given us it is rather more alarming than that. What I am afraid of is that it is not given the prominence it deserves amongst the public who say that 8000 deaths is nothing compared to smoking (100,000), obesity (possibly 30,000 or 40,000 deaths a year); alcohol is a pretty small figure. I would like you to expand it a bit for us.

Professor Gilmore: That is a very important question because those 8000 are the ONS figures and that is where alcohol is named on the death certificate as the cause of death. Nearly all of those are alcoholic cirrhosis. It does not pick up the accidents, the violence and so on. If you include cases where alcohol is named on the death certificate as a contributory cause then the figures rise to about 15,000 but if you actually take the percentage of oesophageal cancer that can be attributed to alcohol et cetera, using the attributable fraction (which is a well recognised and scientifically reputable way of doing it) the figure comes out between 30,000 and 40,000. If you look at obesity, obesity is probably never named on a death certificate and if you use the same criteria for obesity the figures would not be 30,000 they would probably be about 300,000. That 30,000 is taking the percentage of diabetes, hypertension et cetera related to obesity that contributes to death. I am not doing down the importance of obesity and certainly not of smoking, but smoking probably comes in currently around the 80,000 mark, alcohol 30,000 to 40,000 and obesity about 30,000.

Q6 Dr Stoate: That is much more realistic. My concern as a doctor is that on many death certificates someone might be put down as heart failure, they might be put down as pneumonia, they might have a CVA so how can we get to the true figures because the underlying cause—which may be alcohol or at least largely alcohol—cannot be done at a general practice level because often there is not enough knowledge of what the actual cause of death is.

Professor Gilmore: Absolutely and there is still a stigma around it. I think when a doctor has to write a death certificate and there is a choice of getting round not using an alcohol related term then they are quite tempted to do so for the sake of the family. You are absolutely right, the figures we get are almost significantly underestimates.

Dr Anderson: One way round this is through epidemiology, to look at what Professor Gilmore has alluded to which is attributable fraction. We can very easily calculate the proportion of breast cancer or the proportion of oesophageal cancer that is due to alcohol and then, knowing the number of deaths, one can then work out estimates of the number of deaths that will be occurring. That is when you start getting these higher figures. I think the other important thing is not to always just think of deaths but to think of ill health as well. There is this concept that was developed by the WHO called a disability adjusted life year which is a measure of both ill health (weighted for the severity of ill health) and premature death. If we start looking at this comprehensive assessment of alcohol then its contribution to both ill health and premature death rises much higher than just death itself. Certainly at the European level alcohol at the moment is about third in the ranking after hypertension and tobacco, but all the estimates show that this is likely to increase further.

Q7 Dr Stoate: Why is it then that alcohol is not in the public mind amongst the commonest cause of death because the figures you have both given indicate that it should be?

Professor Gilmore: I keep telling them.

Q8 Jim Dowd: Is there any work being done on the lifestyle of excessive consumers of alcohol? Would they, for example, be more likely to be smokers as well or would they be more likely to be obese? Has any work been done around the lifestyle and the risks they run generally, not just in terms of alcohol?

Professor Gilmore: There is certainly an association between smoking and drinking and there is also an association with obesity. Indeed, when it comes to liver disease there is increasing evidence that obesity and alcohol misuse is a very dangerous combination because they both cause fatty liver and when combined the sum seems to be greater than the individual parts. When it comes to looking at the harm that comes from alcohol, clearly in the studies they are very careful to associate the effects of smoking and so on so that it is not exaggerated. Peter would know more in this area than me.

Dr Anderson: I would not add very much to that, just to emphasise that in the scientific studies you can take into account the relative contributions of other risk factors like tobacco or obesity or other lifestyle issues so that you end up being clear what is the direct component from alcohol after having adjusted the potential impact of the other factors.

Q9 Jim Dowd: I realise this might be something of a generalisation, but would it be fair to say, for example, that excessive drinkers would be more prone to a poor diet?
Dr Anderson: If you are a very heavy drinker and become dependent on alcohol such that alcohol has taken over your life, then yes, that is true. However, I think in terms of the more average excessive drinker it is probably not so true, not.

Q10 Jim Dowd: I remember Dylan Thomas was once asked why he drank so much and he said it was because food made him sick.
Dr Anderson: I think one has to separate people who are very, very severely dependent on alcohol, where alcohol is so affecting their lives that they are not eating properly, from the much broader group of people who could be excessive drinkers but where alcohol has not affected their normal daily functioning.

Q11 Jim Dowd: On the question of units, what is a unit? Is it a glass of wine or a glass of beer or a measure of spirits?
Professor Gilmore: In scientific terms it is eight grams or 10 millilitres of pure alcohol and that equates to a half pint of ordinary beer, a small glass of wine (about 110 or 120 millilitres of 10% wine) and a single pub measure of spirits. However, as you know, glasses are getting bigger and drinks are getting stronger. A significant number of pubs and restaurants will offer only 250 millilitre glasses of wine which is one third of a bottle. If it is a 14% red wine that will contain about three and a half units. Equating a glass of wine with a unit causes a lot of people to underestimate their consumption.

Q12 Jim Dowd: When people are drinking and deciding how much they have consumed, it will be done by glass although I do accept the qualifications you have made.
Professor Gilmore: Yes.

Q13 Jim Dowd: If I recall it correctly, it is 21 units per week for men and 14 for women. Is that right?
Professor Gilmore: Those were the levels recommended by the royal colleges in the 1980s. The conservative government in the mid-1990s brought in recommendations of three to four drinks a day for men and two to three drinks a day for women. This was seized on by many as a relaxation of the limits. Then it was pointed out that people should have two alcohol free days a week in which case it comes out to be the same. It has come in for a lot of criticism with the front page of the *Times* saying these figures were plucked out of the air which is unfair because we know that people vary in their genetics, not everybody who drinks heavily will get liver disease—some might get some other complications—and we are not able to individualise risk yet although we may be able to in 10 or 20 years' time. For the moment all we can say is that if you stick within those limits you are very unlikely to suffer physical, mental or social harm.

Q14 Jim Dowd: Would it be fair to say that anybody in excess of that is not a moderate drinker?
Dr Anderson: When you look at alcohol the risks in relation to harm are pretty well monotonic or linear meaning that the risk starts at zero and it goes upwards. The more you drink, the greater the risk. There is some new work that has come out of Australia which has tried to make a better approach to this whole idea of conveying risk away from the idea of units. What they did is look at what they call your life time risk of death in relation to how much you drink. They showed that your life time risk of death—the same would apply for the UK—increases lineally or monotonically with the amount that you consume. If you wanted to reduce your lifetime risk of death from alcohol to less than one in a hundred then for both men and women you need to drink less than 20 grams of alcohol, so just over two units a day. The point is that these units are a cut off, if you like, on a straight line continuum. We should think rather more in terms of risk related to consumption. Instead of saying, "If you are beyond that you're going to get a problem; if you are below that you're safe", there is no safe level; there is a lower risk of harm.

Q15 Jim Dowd: Would you describe somebody who has 30 units a week as a moderate drinker or is that veering towards excess?
Professor Gilmore: That would fall into what the scientific literature refers to as "hazardous" which means that you are not necessarily suffering harm but your risks are very significantly increased. Above 50 units for a man and 35 units for a woman we would describe as "harmful"; if you have not already suffered some form of physical or mental harm you are quite likely to do so. The government recently changed those terms—just to keep confusing us—to lower, increasing and higher. As Peter says it is a continuum but, for the sake of classifying people and giving people an idea of where they stand (because people rarely drink two and a half units exactly every week) we have these categories to try to help people understand.

Q16 Dr Taylor: Just to reassure us, do we understand that two units a day is going to be pretty safe really?
Professor Gilmore: There is less than a 1% chance of dying of an alcohol related cause.

Q17 Dr Taylor: Ian, you have already said that the problem affects people of all ages; do you think that the focus of the media attention on binge drinking is tending to eclipse the other sort of problems?
Professor Gilmore: Yes I do. I think the biggest change in drinking habits in this country is buying from supermarkets at heavily discounted prices, drinking relatively quietly at home and developing either dependency or physical problems. I think the anti-social behaviour and the social unrest has been particularly picked on by the media and that has been helpful to one extent in that it has raised the

profile of alcohol misuse as a problem, but it should not divert us from the fact that there is an awful lot going on behind closed doors.

Q18 Dr Taylor: Is there evidence that it is young people who are getting these cut price drinks at the supermarkets particularly?
Professor Gilmore: I think people across the age range are availing themselves of alcohol. It has never been cheaper in real terms than it is currently and it has never been more available.

Q19 Dr Taylor: Obviously the alcohol industry is keen to minimise the problem. What are the best sorts of figures, the most striking examples that prove that it is not only a tiny minority of the population that is affected?
Professor Gilmore: There are three million alcohol dependent people in this country and that is a very significant number of people who are dependent on alcohol.

Q20 Dr Taylor: Three million?
Professor Gilmore: Yes, 2.9 million is the figure that is usually quoted.

Q21 Dr Taylor: How does dependency fit in with this 30 units and 50 units a week?
Professor Gilmore: I am not a psychiatrist, I am a physician as you know, but dependency is a form in general terminology of alcoholism; it is people who have to have a drink to prevent either psychological or physical symptoms developing.
Dr Anderson: The evidence is that the more you drink the greater you are at risk of becoming dependent. For young people the earlier the age you start to drink and the more you drink as a teenager or adolescent, the greater the risk as a young adult of becoming dependent.

Q22 Dr Taylor: Peter, can you tell us something about the link between harms caused by alcohol within a population and the overall consumption of that population? I think you have this weird phrase "prevention paradox".
Dr Anderson: It is not my phrase but other people have used it.

Q23 Dr Taylor: Could you explain that to us as well?
Dr Anderson: When you examine different countries and regions within different countries and changes over time there is a very, very high correlation or relationship between the amount that a community or a society or a country drinks and the level of alcohol related harm and the level of alcohol dependence. As a country's consumption goes up, harm goes up; as a country's consumption comes down, harm comes down. The prevention paradox is making the point that although there are people who drink very heavily, in terms of the overall contribution of the size of the problem to a population or to a country it is actually the much larger group of middle to heavy drinkers that are causing more problems than the smaller group of very heavy drinkers.

Q24 Mr Scott: I have a question for both of you. What are the causes of the increase in drinking in the UK since the 1960s attributed to? How important do you think is the sexy marketing by the alcohol industry and the way it has been made to look fashionable and life-enhancing in all the television adverts and the amount of sponsorship that is taking place and also government policies?
Professor Gilmore: I will go first but Peter is an international expert on the impact of marketing and advertising. I think the evidence is very strong that the biggest drivers of increased drinking are the price and the availability. Clearly there is a cultural aspect of this but there has always been a culture towards binging in the UK, drinking less frequently than some of our southern Mediterranean colleagues but more at a time. Clearly if we could change that culture and start sipping wine with meals as opposed to going out binging on empty stomachs that would be good for our health. The overwhelming evidence is that price is the single biggest factor. As to government policy, we supported the government's alcohol harm reduction strategy in 2004 but it was, in my view, unfortunate that it coincided with a change in the licensing laws that made it easier for places to stay open later, it made it more difficult for local authorities to turn down applications for licences (there is no need to take the public health into account when granting licences). I think it has been well shown now and confirmed by the KPMG study commissioned by the Home Office that voluntary partners within industry in terms of voluntary codes of practice have not worked. To that extent I think that government strategy has not worked. We welcome the fact that they are now looking harder at issues like price and commissioned the Sheffield University study that I am sure will be brought to your attention. In my mind price is number one and the availability comes a close second. I think it would be very hard to change the licensing laws back to bringing in closing time, but I think it would be very easy to do what has been done north of the border to make alcohol available only in certain areas in supermarkets so you do not have a special offer at the end of every aisle, something could be done about the deep discounting (there was £38 million of beer sold during the last world cup at below cost). There is an awful lot that could be done.
Dr Anderson: In terms of the second part of the question, I would agree that you could say in the last 10 to 12 years that government policy has, to some extent, led to an increase in consumption, particularly by letting alcohol become much more affordable. The price of alcohol both relative to income and relative to other goods has dropped considerably in the UK and without doubt that has led to increased consumption. At the same time I think there has been an increase in availability of alcohol through outlets not just in terms of number of outlets but also in terms of size of outlets; you get very many big clubs and places like that where young people can go to. As Ian has also said, it is not just the government but the fact that many of the big supermarket chains do sell alcohol at undercut price also contributes to the problem. To the first part of

your question, I think there is no doubt that marketing has a major impact on this but by marketing we mean a whole range of things. It is not just advertising but it is also where products are placed in supermarkets; it is the kind of packaging; it is the development of new products which become attractive or look appealing to young people. All of those things have an impact on consumption, particularly by young people. The more there is of it, the more marketing there is, then the greater the consumption and the greater the harm.

Q25 Mr Scott: Dr Anderson, the growth in off-trade sales that we have just been referring to has obviously made things a lot worse because people are now drinking in the comfort of their own homes and maybe the outcomes of that are not being seen on our streets quite so much. Do you think that is the major cause of the growth in alcohol problems in the UK?
Dr Anderson: I could not in confidence answer which has contributed most. Without a doubt it is contributing but I would not like to say it is the greatest contributory cause. What I think it indicates is that if something is going to be done about it that problem also has to be addressed. There is evidence of course that young people will go and get drunk on cheap beer bought in the supermarket and then go out to the pub already intoxicated which then leads to further problems. The message always with alcohol policy is that it has to be comprehensive; you cannot just do one thing, you have to do a combination of things.

Q26 Dr Naysmith: Professor Gilmore, it is quite clear that historical evidence suggests that cultural patterns are very important determinants of drinking patterns. We have already referred to that a bit this morning. It is interesting that for the first 60 years of the 20th century—apart from a little blip—drinking levels were much lower than they were prior to that. There was a famous survey in a 1943, a mass observation which referred to the fact that young people represented the lowest proportion of pub goers, referring to frequent milk bars and coffee shops. Some of us remember those happy days with affection, but it is certainly not true in the way people are behaving now. Later on there was a push by the brewers and so on to counteract what they saw as falling sales. Then there is the fact that women did not used to go into pubs very much 20 or 30 years go. Now they are almost equal numbers with men. All these things are cultural influences. I just want to ask you whether you think that this means that the power of the alcohol industry and its marketing suggests that what the government does in this area is completely irrelevant and does not matter very much.
Professor Gilmore: Clearly changing culture is a very complex issue and it develops over time. There is no switch that is going to turn us back to milk bars and coffee bars overnight. However, if you look at the situation where a culture is relatively stable and the price is modulated then you do change consumption and you do change harm. For example, there is some anecdotal evidence that social reference pricing in some parts of Canada has resulted in a shift to lower strength beers. In areas where cultures are stable you can see that by modulating the price and moderating availability will change drinking patterns and will reduce or indeed increase harm as happened in Finland in 2004 when they slashed their taxes by 30% because their neighbour Estonia was coming into the EU and there was a rocketing of consumption and of harm and sudden deaths, and deaths from cirrhosis are now being seen. I take your point that it is a very complex area linked to culture that develops over long periods of time, but we have abundant evidence that we can cut across that long term culture change with interventions that work.

Q27 Dr Naysmith: Dr Anderson, do you have anything to add?
Dr Anderson: I would agree with that. The way you phrased the question gave perhaps a rather pessimistic view. As Ian has said you can counteract even those kinds of changes. If you look at something like drink driving you can show that with a combination of laws and regulations you can make a cultural shift so that whereas before maybe it was perhaps culturally acceptable to drink and drive, it is not culturally acceptable to drink and drive now. That is an illustration which shows that where putting in good legislation and enforcing it shifts people's behaviour and it also shifts their thinking about what they were doing before.

Q28 Sandra Gidley: Dr Anderson, the alcohol industry makes strong claims for the Drink Aware Trust. What are your views of the effectiveness of the Trust?
Dr Anderson: I do not want to answer necessarily specifically about the Trust.

Q29 Sandra Gidley: Please do.
Dr Anderson: There is very good scientific evidence that information campaigns and education campaigns on their own do not change behaviour. These campaigns have to be done in association with policy changes or done to help support policy changes. Just providing information is not going to change people's behaviour. There are some studies that also show that education campaigns funded by the alcohol industry can backfire in the sense that they lead to the people exposed to those campaigns coming up with a much more favourable attitude to the alcohol industry than they did before. That tends to lead to the view that these kinds of industry funded campaigns, if anything, may have a negative effect, ie increasing a positive view or expectancy about the use of alcohol in drinking. In the smoking field there has been a lot more research done on this and it is very clear that tobacco industry funded education campaigns do the opposite; they almost lead to more smoking and they certainly lead to much more favourable views about the tobacco industry. My view is that an education campaign like Drink Aware, funded by the industry, is not likely to do much good anyway in the first place because these campaigns do not. If anything it could lead to a more

positive favourable view of the alcohol industry which could then complicate matters when you try to do other policy issues.

Q30 Sandra Gidley: Have there actually been any studies comparing a drink awareness campaign funded by the alcohol industry and one funded by, say, the Department of Health?
Dr Anderson: No. In the tobacco field there have been such studies where they have compared the impact of tobacco industry funded campaigns with campaigns funded by public health bodies. These are the ones that show that the campaigns funded by public health bodies in the tobacco field have some effect, whereas those funded by the tobacco industry do not, but lead to a much more favourable view of the people exposed to the tobacco industry.

Q31 Sandra Gidley: You said the campaigns can end up having a perverse effect.
Dr Anderson: Yes.

Q32 Sandra Gidley: Is that the case if the campaign is targeted at adults or younger people? Is there an age difference in the response to the campaigns?
Dr Anderson: That has not really been studied. The ones that have been studied have tended to be aimed at young people but I do not know if there is a difference by age.

Q33 Sandra Gidley: How should safer drinking, social marketing and other health promotion efforts be funded? Or should we bother?
Dr Anderson: You need to bother. People do need to be informed about these issues. This should surely be done by public health bodies who are able to get the right messages across. The key to these campaigns should be very much focussed on trying to alert public awareness to the size of the problem and what can be done about it. We all know the difficulties sometimes with taxes, that one might be concerned that if you put the tax up people do not like this, but my guess would be that if you did well structured public education campaigns explaining the problem and explaining the reason why, you are more likely to get support for a public policy measure.

Q34 Sandra Gidley: Public health funding is very, very low; this Committee has just done an inquiry into health inequalities. How on earth will one campaign be able to compete with the tide of advertising from the drinks industry?
Dr Anderson: It cannot and that is why you need to control the tide of advertising from the drinks industry, if you like levelling the playing field, so that there is less advertising from the drinks industry thus allowing the potential impact of public health campaigns to increase.

Q35 Sandra Gidley: Should we just take their money and put it in the public health budget?
Dr Anderson: You are taking their money through taxes but there are countries which do earmark a proportion of alcohol taxes for public education campaigns.
Professor Gilmore: Also the industry gets tax relief on their advertising and there is a source of funding which is not being tapped.

Q36 Sandra Gidley: The drinks industry get tax relief on their—
Professor Gilmore: Professor Noel Olsen, a distinguished public health physician, assures me that companies can write off as reasonable expenses advertising. If one was to abolish tax relief on drinks industry advertising that money could go to public health campaigns run by government.

Q37 Stephen Hesford: What should be the balance between voluntary and statutory controls on alcohol marketing? In terms of making progress with tobacco, the deaths at or about the time the real focus from government started to kick in was about 120,000 deaths a year. If, on your figures that we talked about before, we are at 40,000 for alcohol, is there critical mass that we have not reached from a public policy point of view? Is 40,000 not enough to kick start or really interest the government? Is that an issue? For tobacco there used to be voluntary codes; are we not at that point yet?
Dr Anderson: In the epidemiology I would say that we are at that point. The reason I say that is if we do not just look at deaths but deaths and ill health, alcohol and tobacco are the same. I think one will increasingly see alcohol overtaking tobacco because there is a time lag of the tobacco deaths and they will continue to fall down.

Q38 Stephen Hesford: As usage decreases?
Dr Anderson: Yes. The other important thing of course is that alcohol causes an enormous amount of harm to people other than the drinker. Just look at pregnancy problems, look at children being brought up in families where parents have alcohol related harm, look at accident and injuries that might occur on the streets, look at the drink driving accidents where an enormous number occur to people other than the drunk driver. If you want to get a message over to get more government support for this idea, focus on the harms done to people other than the drinker. In terms of the self-regulation many different countries across Europe have different self-regulatory as opposed to regulatory methods. The evidence is that the regulatory ones have more bite, they are much likely to work.

Q39 Stephen Hesford: As opposed to the voluntary?
Dr Anderson: Yes, as opposed to voluntary. There is the phrase "Don't ask a bird to clip its wings"; in a way self-regulation to some extent has to go against what the industry itself would like. The evidence is that it just does not have enough teeth unless it is properly backed up by some kind of threat of government statutory regulation or some statutory process that can say, "Okay, unless you really clean your act up here we're going to introduce regulation". The other thing with self-regulation in most countries is that it does not deal with the volume of marketing; it much more deals with the

content where the volume also matters. Also self-regulation often does not touch very well on all the different forms of marketing—internet marketing or marketing through SMS messages—and the other point about self-regulation is that when you ask young people what is appealing about an advertisement, for example, they say, "It's elements of humour" and things like that. Self-regulation just does not touch on things like humour at all.

Q40 Stephen Hesford: Using smoking as a parallel again, are we at a point of banning advertising? Where are we in that argument?
Professor Gilmore: Coming to the point of where we are at, it is not just the deaths. If you think that there are nearly a million alcohol related hospital admissions a year, you convert the 75%-plus of presentations after midnight are alcohol related, the burden on the NHS is absolutely huge. It is a preventable problem. Most of the conditions that doctors look after—that Richard and I have looked after over the years—are by and large degenerative and pretty difficult to treat and most old people end up dying anyway (all, to be precise). We actually have it in our grasp to improve the lives and health of relatively young working people here and I think that is an opportunity that we should not turn down. It is amazing that we do not have as a minimum a watershed of 9pm on broadcast advertising of alcohol products. If you go 22 miles across the Channel to France there is a complete ban on broadcast advertising. There is a ban on sports sponsorship in France. We actually have a very lax legislatory framework in this country at the moment.[1]
Dr Anderson: The other good thing about the French advertising, for example, is that it tells you what you can do and not what you cannot do. Something that tells you what you can do is so much easier to enforce and monitor because it is much clearer.

Q41 Stephen Hesford: In simple terms, from a medical perspective and a risk of harm perspective, are you saying that we are past the point where the voluntary route is effective or useful?
Dr Anderson: If you want to make the parallel with tobacco then definitely yes.

Q42 Dr Naysmith: I want to go onto the international experience a bit, but just before I do, Dr Anderson, I would like to ask you about something else which came out of this Committee's tobacco inquiry. The tobacco industry maintained for a long time under questioning that they were not promoting tobacco use they were just bringing about brand switching and that sort of thing. In the drinks industry clearly a promotion is a promotion is a promotion and it encourages people to drink. Is there anything similar in your experience in the alcohol industry?
Dr Anderson: In a way there are many parallels—although the alcohol industry will not like me saying this—between that industry and the tobacco industry in the way that they are trying to counteract the evidence about both the harm and the policy interventions. All of the scientific research, for example, on marketing shows that it is not about brand switching, it is actually about increasing the likelihood that young people will start to drink or, if they are already drinking, they will drink more.

Q43 Dr Naysmith: One of the arguments that is sometimes used is that in many other European countries this country seems to drink much less than they do. Does that mean that we are worrying unnecessarily?
Dr Anderson: If you look across at the European Union, for example, that is not the case. If you look from the top to the bottom the UK is a little bit about one third down in the league table so it is actually drinking heavily compared to many other European countries. I think the real worry is that the level is high and it has been increasing. Maybe in the last year or so there has been a little dip, but basically it has been increasing over the last years and that is a cause for concern. The health problems have been getting worse and the health problems have been occurring at a younger and younger age. Ian would mention this very strongly, that liver cirrhosis which normally would affect older people occurs at younger and younger ages. In European terms no, the UK is not doing very well.

Q44 Dr Naysmith: Before certain legislation was introduced we used to talk about introducing the continental culture of drinking in this country. It has not quite happened like that. Are there differences in cultural patterns of drinking that are of significance between different European countries?
Dr Anderson: There are certainly differences in cultural styles of drinking and cultural patterns of drinking. One of the important things in Europe is that there has been much homogenisation of these different drinking styles and different drinking patterns so that countries that before were predominantly wine drinking countries are now much more beer drinking countries. You can get the same phenomenon of young people going out on the streets and getting drunk in Spain; it is perhaps not as bad as in the UK but it certainly happens in Spain. One of the other problems is that the research has been a much more northern European thing. We know much more about the problems in northern Europe whereas in southern Europe it has been much less researched in terms of the problems on the family. However, when that research has been done there is the same extent of problems there.
Professor Gilmore: I would agree with what has been said.

[1] Note by witnesses: The point were we were trying to make is that the current UK regulatory system appears to be relatively lax compared to others systems, in that it does not ban alcohol adverting on specific mediums. For example, in France there is a complete ban on broadcast advertising. The other point to make is that the current regulatory codes do not deal with the volume of alcohol marketing, and do contain any substantive volume constraints. Recent evidence shows that volume of exposure matters and that it can affect attitudes and drinking behaviour in young people.

Q45 Stephen Hesford: What can we learn from your international review of the effectiveness of different interventions to tackle alcohol harm?
Dr Anderson: We can learn that there is overwhelming evidence for what kind of policy options work. How you implement those will vary from country to country or culture to culture. What we know is that price is very, very important. If the price of alcohol goes down, consumption and harm go up and vice versa. We know that price matters. We know that the availability matters. In general the more available alcohol is in terms of the number of outlets, the density of outlets and the days and hours of sale, the more consumption and harm there is. The converse is that availability is restricted and there is less harm. We also know that marketing has an impact. It is smaller than the impact of price and availability but there is an impact there. We need to continue to be tough on drink driving and I think there is still clear room for improvement in the UK to bring the legal blood alcohol level down to the European average which is 0.5 instead of 0.8. Enforcement is important on that but the experience is that every country that has brought their level down always gets more savings of lives. Finally, the other very important area is the work done by the healthcare system and service. There are a lot of people who do have hazardous and harmful patterns of drinking for whom some early identification and brief advice from a GP or a practice nurse or someone else is effective in helping them change their drinking.
Professor Gilmore: That is a really important point. We are not dealing with problems that are insoluble. Policies will make a difference on the population but there are also things that will help individuals. There is a wealth of evidence that early identification of people who are creeping into problem drinking and brief advice actually works. It is a sustained benefit; it is more effective than nicotine replacement therapy and nicotine counselling and a lot of situations where expensive preventative medications are used for blood lipids and the like. So it is not a hopeless situation and indeed even for heavily dependent drinkers specialised treatment services, that are sadly very patchy around the country, are effective. There are solutions to this problem; we are not just preaching doom and gloom.

Q46 Stephen Hesford: In terms of your average GP, is your average GP equipped to deal with this?
Professor Gilmore: Probably not. It has been calculated that there are probably about 350 patients in an average GP list with drink problems and as many as 98% of those may be actually undetected. I think there are a lot of things that could be done around quality outcome frameworks and the like that would encourage better early detection and brief advice done at a general practice level or referral onto more specialised services.

Q47 Stephen Hesford: Are there any PCTs or areas of the country that have grown up with better services that could be used as examples?
Professor Gilmore: There are big differences. I think the Audit Commission looked at how PCTs were responding to alcohol misuse and there was a wide range of abilities and levels which they were at.

Q48 Dr Stoate: You have covered most of what I wanted to ask, but you mentioned all the things, Dr Anderson, that seem to work quite well—interventions that are effective—but are there any things that you think are not effective, perhaps things that we should be switching away from, things that are a waste of time?
Dr Anderson: The whole area of education is a difficult one. We have to be very careful about this because people need to be informed and educated about this issue. There is so much research that shows that education on its own does not change young people or people's behaviour. This means that we should not stop giving education but we should be careful not to think that education is going to solve this problem because it will not. We need to package that in a much broader policy. When you say, "What shall we do about alcohol?" you do not say, "We need more education"; we say, "Well, we need more of these policy things supported by education".

Q49 Dr Stoate: With tobacco, for example, we spent years going round schools with horrible pictures of lungs and stuff saying to the kids, "This is what happens if you smoke". Was that more effective than the alcohol education or was there no benefit there either?
Dr Anderson: There is some evidence that the tobacco education is slightly more effective than the alcohol education but not a great amount. People were really aware of the risks from the Royal College of Physicians' report and things like that and when people understood that these risks were going to affect them then people changed and the whole issue around the environmental impact of smoking pushed it forward. That is why I think with alcohol that the more we can get over this understanding that alcohol does not just affect the drinker but it also affects people surrounding the drinker, a sort of collateral harm if you like. It is like the environmental tobacco smoke but I do not know what word to use for alcohol but it is that kind of idea.

Q50 Dr Stoate: Doctors were at the forefront of being advocates against smoking and stopping smoking but healthcare professionals seem to find it more difficult to disassociate their own behaviour and attitudes towards alcohol from their clinical practice. I think that the medical profession has a responsibility to take a stronger line and become stronger advocates, not advocating prohibition but moderate drinking and harm reduction and taking a lead in this area. In my own clinical practice I tend to use a bit of shock. If I seem somebody with a very raised gamma GT or somebody with a scan showing a fatty liver or somebody who quite clearly is drinking in the order of 80 or 90 units a week, I normally tell them that that is the slippery slope to

cirrhosis which is irreversible and of which they will die in short order. Is that a reasonable approach or perhaps not?

Professor Gilmore: I think it is factually absolutely correct and I think it does have an effect. Doctors are still listened to by their patients in the majority of cases; I think we are still influential with the individual patient and with society. Yes, I think you are absolutely right to lay it down on the line.

Dr Anderson: I used to be a GP in Oxford doing just this kind of work and in a way it is about having a conversation with people or patients about the issue and every doctor is going to have their different approach or different clinical style. The point is that we want to get more doctors doing something and let them use their own clinical style; there is not necessarily a right style or a wrong style. There are ways of helping doctors do this through educational programmes, support programmes, by providing incentives and so on.

Professor Gilmore: There is evidence that engaging with the patient in discussion is more effective than preaching.

Q51 Sandra Gidley: I wonder if you would both like to comment on the focus and effectiveness of government initiatives so far. What have they done well and what is not so good?

Professor Gilmore: In 2004 in building up towards the alcohol harm reduction strategy for England they got a very good evidence base together but they failed to deliver on some of the evidence around price and availability and emphasised too much the voluntary partners in industry. I think there has been a move and a greater realisation of the importance of price and availability as evidenced by the fact that the government themselves commissioned the Sheffield report and commissioned the KPMG report. The evidence is there so now is the time for action. I think the chief medical officer's annual report pointing out the collateral damage and the potential beneficial impact of a minimum unit price was, in my view, very timely. I think government felt it came in at a time when they were between a rock and a hard place in terms of the financial downturn but I do not think that that should discourage us from tackling the public health. I hope the chief medical officer has opened a valuable debate because the minimum unit price has several very real advantages. It does not affect to any significant degree the moderate drinker and it does not impact on the price of a pint of beer in the pub; it really does hit that heavy discounting and bulk buying offers in supermarkets and off licences. There are also other arguments for doing it through tax and, as Peter said, I think the actual way that price is manipulated is a matter for individual countries to decide what is appropriate for them.

Dr Anderson: In international circles the alcohol harm reduction strategy was seen as the bad example of what not to do in terms of government policy in European and international circles. Many people have critiqued it from a public health point of view because that strategy really lacked approaches for which there was evidence that something really would come out of it, for example controls on price or regulation of availability or regulation of marketing in an effective way. People who critiqued that from a public health point of view—which includes myself—were very nervous that it put far too much emphasis on things like education and information approaches and far too much focus on self-regulation by the alcohol industry. As a sort of relative outsider here, I think one does observe now that some things are changing, but again people in the European circles are very cautious and nervous about what is going to happen here because the perception is that there is the kind of government view of really going to do something that is going to make a proper impact in terms of reducing early and ill health.

Q52 Sandra Gidley: Marks out of 10 for the government so far?

Dr Anderson: Based on the alcohol harm reduction strategy, maybe one. If you compare it with what else is going on in Europe, it really was a backward thing. I do not want to blame officials or anyone, but from the government point of view it was a backward thing.

Q53 Sandra Gidley: Professor Gilmore, are you feeling any more generous?

Professor Gilmore: I am feeling more optimistic about the last year or so with a lot of initiatives looking at young people, accepting now that price is an important factor. I think at the moment the end of term report is "Could do better, a lot better".

Q54 Chairman: Professor Gilmore, from what you have said about the CMO's annual report you were not very happy with ministerial reaction to it on this issue of unit pricing when it was published. Would you agree with that? Were you happy with ministerial response to it, Dr Anderson?

Dr Anderson: I was not party to all of that close information so I do not know, but in terms of the kind of proposals that have been put forward for a discussion on minimum price this, from a health point of view, is a very important potential approach. The very powerful thing about minimum price is that it targets those people who are heavy drinkers, who have problems with drinking, whereas the lighter people drinking at lower risk levels are hardly affected by the impact of minimum pricing. So it is actually a very effective targeted strategy that deals much more with the problem without affecting the number of people who are lighter drinkers.

Professor Gilmore: I did not like the implication that it would impinge on a lot of responsible moderate drinkers when in fact the evidence says that it would very little impact on moderate drinkers and really, as Peter says, it would be targeted.

Q55 Dr Taylor: You have given us an awful lot to think about and you have said that it is a time for action. If it was left to each one of you, what would be the three most important things to do straight

away to reduce alcohol related harm? If you could summarise those three it would help us tremendously in writing our report.
Professor Gilmore: I would go for minimum unit price, allow those granting licences to take the public health into account and I would enforce separate areas in supermarkets with separate tills.
Dr Anderson: In addition to minimum price I think one needs to adjust the tax structure to reduce harm. There is an awful lot of information as to how you do that intelligently and it can be done.

Q56 Dr Taylor: Where would we find that sort of information?
Dr Anderson: The Treasury will have that information because they have a lot of information about the changes in consumption for different beverage categories when the price changes. There is also a lot of information about which types of drinking people would be affected. I would very much restrict the marketing of alcohol. Maybe it is not possible to make a ban on alcohol advertising, but certainly something that is modelled on a law that says no advertising on television and really deals with the content and shift away from this idea of what you are not allowed to do to what you can do and make that very restrictive in terms of simply giving information about the product and not using all the kind of glamour and sex to market things. The third thing I would do is that I would really try to make a major investment in helping family doctors and nurses do more to help people who are at risk in drinking. This would do two things. It would help the patients enormously but it would also get the doctors to be more motivated and sensitised about this issue to then help the whole population do something about it.

Q57 Chairman: You may be aware that this Committee has been in New Zealand in the last few weeks looking at numerous issues, including the issue of alcohol. One of the things that was presented to us was where local communities, presumably through some sort of planning, would have the right to reject licences in their communities for the sale of alcohol. Do you think that that is something that ought to be considered?
Dr Anderson: I think you need to consider what jurisdictional powers local communities can have. If you look globally on alcohol policy issues there is more and more responsibility given to local communities because it is local communities that know about the issue and suffer the potential harm and it is much easier to build coalitions to do things. Local community interventions can be very good, but that means the ability to give the jurisdictional responsibility to local communities, to make these individual decisions separately or in addition so they can have stronger things than what might be national legislation and that could be tougher things on licensing for example.

Q58 Jim Dowd: Professor Gilmore, you mentioned that there is a certain ambivalence within the medical profession when they look at their own behaviour, but is the principal difficulty that everybody knows that physically at least one cigarette is bad for you but nobody is saying that one alcoholic drink occasionally is bad for you. Is the problem not where the margin is set?
Professor Gilmore: Absolutely and I sometimes wish my clinical interest were in smoking because it has no redeeming features whereas in the individual's case an occasional drink or drinking in moderation does not pose a significant risk to health, although Peter is absolutely right that in population terms there is a linear relationship between any consumption and harm. Given the fact that most of us in most of things we do accept a degree of risk then moderate drinking in most people's views is a reasonable risk to take. Yes, I have never campaigned for the abolition of alcohol or prohibition in some way and I know I would not have my views falling on sympathetic ears if I were.

Q59 Jim Dowd: In both your responses earlier to Sandra's questions on the drink responsibly campaigns by the drinks companies, do you regard them as (a) ineffective, (b) counter-productive or (c) total hypocrisy?
Dr Anderson: All three.

Q60 Jim Dowd: They cannot be ineffective and counter-productive.
Dr Anderson: It can be ineffective in terms of leading to the change that we would like to see which is reduced harm. We would say that it is likely to be ineffective in terms of reducing harm. It is counter-productive in the sense that it leads to a more positive view about the alcohol industry serving the drinks which tends to then make people feel a bit easier about drinking. In a way it is hypocritical because if you were an industry wanting to be serious about reducing harm then you would have to be serious about agreeing to certain things that would reduce harm, for example supporting something like minimum pricing or, for example, being really serious about regulating your own advertising.

Q61 Jim Dowd: I want to look at this minimum pricing a bit further. The alcohol consumption levels per capita now are just below what they were at the start of the 20th century, although they are moving towards the same kind of point. The lows during the 20th century of course were during the war years. Some people spent as much as a sixth of their total disposal income on alcohol in those days; that figure has now plummeted because of pricing. What kind of level of increase in minimum pricing would be necessary to alter that behaviour? How do you respond to the suspicion that the pricing mechanism has a deep class bias in it insofar as it assumes that the problem is with those on lower incomes, whereas if you can afford it then it will not be a problem at all?
Dr Anderson: If you increase the price collectively everyone changes their drinking. There are going to be a very small number of very rich people it is not going to worry, but in general everyone changes their drinking. There are studies to show how different groups of people change their drinking in terms of

either drinking less or switching to different beverage categories. There is that data on which you can make estimates of the impact of a change in price. There is a group at Sheffield University that has done work for the Department of Health in terms of modelling what might happen if you set different minimum price levels or if you set different taxation levels and that can give you quite powerful information of the consequences of changes to very heavy drinkers or light drinkers, reductions in crimes, reductions in hospital admissions or premature death. There are good ways of being able to say, "What is the likely impact if we do this option or do that option?" so no-one is working completely in the dark. You can try to make these things that are more targeted on reducing the problem which is what one wants to do rather than necessarily affecting a broad group of lighter drinkers.

Professor Gilmore: The chief medical officer's report points out that a minimum unit price of 50 pence would not affect 85%-plus of products sold in pubs, clubs and restaurants.

Q62 Jim Dowd: That is 50% compared to what at the moment?

Professor Gilmore: Fifty pence.

Q63 Jim Dowd: What is it at the moment?

Professor Gilmore: There is no minimum unit price at the moment. If you go out and buy three litres of 8.4% white cider for £2.99 you are getting more than your weekly safe limit in one bottle. That is as cheap as you can get it, about 10 pence a unit.

Q64 Jim Dowd: So we are talking about an increase at the margin of 400%.

Professor Gilmore: So that bottle of white cider would go up 400% but a pint of beer in a pub would not change at all.

Chairman: Could I thank both of you very much indeed for coming along and helping us with this inquiry.

Witnesses: **Professor Martin Plant**, Professor of Addiction Studies, University of the West of England, **Dr James Nicholls**, Senior Lecturer, Bath Spa University and **Dr James Kneale**, Lecturer in Human Geography, University College London, gave evidence.

Q65 Chairman: Gentlemen, could I welcome all three of you to this second part of our first evidence session of our inquiry in alcohol. I wonder if, for the record, I could ask you to give us your names and the current position you hold.

Professor Plant: I am Martin Plant. I am Professor of Addiction Studies and Director of the Alcohol and Health Research Unit at the University of the West of England in Bristol.

Dr Nicholls: I am James Nicholls. I am Senior Lecturer in the School of Historical and Cultural Studies at Bath Spa University.

Dr Kneale: I am James Kneale, Lecturer in Geography at University College London.

Q66 Chairman: Thank you. The received wisdom about the drinking culture in the United Kingdom seems to be firstly that we have always been a country of heavy drinkers and secondly that there is a pronounced difference between the drinking cultures of northern European countries, like the UK, and southern European countries. Do you think that these assumptions are correct?

Professor Plant: Yes. First of all records and criticisms of the British style of drinking go back for centuries. Binge drinking is not the new British disease, it is actually a very old one. Recent research that has been carried out comparing both drinking by young people and drinking by adults in England bears this out. What has changed recently—and it has been quite a big change—is that consumption in most Western European countries has dropped while in the UK it has been going up. Although the traditionally heavy wine drinking countries around the Mediterranean have brought their consumption and their problems down, they have seen the advent of binge drinking involving beers and lagers amongst young people which is something very new and which they blame on us.

Dr Nicholls: There is certainly a history of certain patterns in the consumption in England and Great Britain more generally. I think the question of levels of consumption becomes much more difficult the further back you go and you have to be aware that a lot of the early complaints against drunkenness are often using drunkenness as a way of talking about other things, so you will get attempts to address concerns over the behaviour of the lower classes or the poor expressed in terms of drunkenness. We need to be slightly careful in terms of assuming that high levels of drunkenness have always been an issue in Britain but certainly a particular pattern of drunkenness does seem to appear in historical records as an issue for concern. If you go back to the 16th and 17th centuries you get quite a lot of literature complaining about drinking so this idea of drinking relatively large amounts in short periods of time does seem to something that appears consistently historically. Whether those actual levels overall are higher or lower than other countries becomes difficult the further back you go.

Dr Kneale: I would agree with James, but also I would clarify that one of the reasons that Britain does seem to have a problem is that we tend to focus on drink as a problem of public order rather than as a question of public health. Clearly the two are closely connected here and we do have to consider them together. However, I think most of the concern and most of the records about alcohol as a problem in Britain refer to it as a social problem to do with things like unrest, people losing days at work et cetera. So that tends to blur what we think of as the difference between Britain and the rest of Europe.

Q67 Chairman: Is it that is just a bit colder up here.
Dr Kneale: No, although the Victorians did suggest that in select committees, that in Newcastle in particular you needed a stiff drink if you worked in that part of the country.
Dr Nicholls: I think it is also important to bear in mind that levels of consumption have gone up and have gone down as well and that has been in response to a number of factors. Arguably the most driving factor in terms of consumption going up and down has been relative prosperity, whether people had the money to buy alcohol or not. It is important to bear in mind that in Britain drinking has had peaks but it has also had troughs; it has had some very low troughs. My personal concern about this is that if we over state the idea that the British just like to drink that may have a negative consequence in the sense that it reinforces a certain set of social expectations.

Q68 Dr Stoate: We have been told this morning that alcohol consumption has probably, broadly speaking, fallen steadily from 1700 to 1960, although it has gone back up since then. First of all, how do we know that? Given that people do a lot of informal drinking—they brew their own, they avoid tax, they have moon shining—how do we know what the figures are?
Dr Kneale: Consumption figures in the UK are usually derived from production figures or customs figures so we know how much alcohol was around in Britain at a particular time and we presume that most of that was drunk.

Q69 Dr Stoate: We do not know how much of that was illegally produced or not recorded.
Dr Kneale: People have tried to estimate some of those things but actually what is most interesting about the historic panics we have had about alcohol is that they have usually followed periods of free trade legislation which have been designed to get rid of smuggling, for example the gin trouble in the 18th century but also in the early 19th century, opening beer houses was designed to make the running of the alcohol industry more legitimate, effectively. Usually we have a fairly good sense—apart from, I think, with things like spirits and wine in the 18th century—of how much was being smuggled and it probably was not very much.

Q70 Dr Stoate: We have also been told this morning that the drinking of alcohol is closely related to prosperity and yet surely prosperity has not been falling from 1700 to 1960, so how come that works?
Dr Kneale: This is the interesting question which is where we are now. If we have seen a similar rise in consumption to the ones that we saw in the 1830s and the 1870s, what happened there is that an initial excitement—which I think was probably down to people's rising wages and real disposable income—got translated into celebration (because in those times if you wished to celebrate you could not guarantee that you would have the money to save for a rainy day so you spent it) and you spent it on things like alcohol. What happened shortly after each of those spikes in the 19th century is that the money goes so in the 1840s people are hard up again or in the 1880s people start to spend their alcohol money on other things, they start to calm down and sober up. So the fall at the beginning of the 20th century is when we see things like holidays available for every family, people spending money on things like cigarettes unfortunately. There were rival attractions. It is not just prosperity, it is changing habits.

Q71 Dr Stoate: That makes sense certainly, but how have the harms of alcohol changed over that time? We are quite interested to hear about these. Obviously we know that consumption is going up rapidly at the moment and we know there are changing patterns of harm, but can you tell us a bit more about how the pattern of harm has changed?
Dr Kneale: I have to admit that I am not strong on the history of alcohol related harms. Most of what I concentrated on—partly because I know the epidemiologists and the other public health specialists you have heard from already are much more knowledgeable about this—are questions of consumption.
Dr Nicholls: We are also dealing with how those harms are recorded and which harms become part of public record. If you look at the literature about the 18th century gin craze you would assume that the harms were to do with public order but they were also to do with damage to the economy, there were a lot of concerns over the economic impact of gin drinking particularly around parental drinking and the impact on unborn children of mothers drinking. There was a perception clearly of harm being passed onto the unborn child and to children in the 18th century, however again it is very difficult to ascertain for certain what the motivation behind identifying those harms was and there were certainly some people saying at the time, "How would a doctor know what the impact on a poor mother was of gin when they would not even attend them giving birth?" We have to be quite careful in saying that we can say for certain what the actual harms were. It is interesting to look at what the perceived harms were. I think that is also important and it does tell us something about the social impact of alcohol, to see what concerns it triggers.

Q72 Stephen Hesford: Just to pick up on what Dr Kneale was saying about the drop in consumption towards the end of the 19th century, there was a big temperance movement around that time; did that have any effect?
Dr Kneale: It did. It became a very complicated movement and a very divided one, but I think generally over the 19th century the idea that alcohol carried all kinds of social but also moral hazards as well as health hazards became firmly entrenched. People tend to assume that temperance failed because prohibition was not established in Britain as part of the movement had planned. I think the general culture of abstinence and moderation

probably did affect levels of consumption. The questions of income and prosperity seem to be at least as important.

Dr Nicholls: I think it is also an example of where you can look at legislation as having an impact on alcohol consumption. There was a select committee in 1834 (which was mocked rather heavily in the press at the time and described as the Drunken Committee) which looked at alcohol related issues. Its recommendations at the time were ignored but what it recommended were things like the opening up of public parks, public libraries, the provision of alternative leisure activities for the poor which actually became part of government policy later in the 19th century and it has been argued by some people that it was those provisional alternative recreational opportunities that actually had the biggest impact on the decline in alcohol consumption in the later 19th century and the early 20th century. So I think there is something to be said for the argument not so much the kind of banner waving temperance movement that had an impact but more the impact of the temperance movement on those areas of policy that are not necessarily directed related to alcohol consumption but related to creating a culture in which there are alternatives to drinking.

Q73 Stephen Hesford: Somehow creating some kind of alternative culture.

Dr Nicholls: Yes, and suggesting that there were other things for people to do with their spare time and with their money than simply to go to the pub and to get drunk.

Q74 Stephen Hesford: Does that have any relevance to today?

Dr Nicholls: I think it is difficult because part of the problem today is that we have a limitless palette of alternative leisure activities. I suppose one of the more worrisome features of contemporary society is that one of the alternative leisure activities that young people in particular will undertake as an alternative to drinking alcohol is to take other drugs. There is a wider increase in drug use generally and a smorgasbord approach to drug use. So I think the simple notion that you can create counter attractions nowadays is not as clear as it would have been in the 19th century. There are plenty of counter attractions but that is not to say that we cannot try to engage in a debate about where alcohol sits in our leisure activity and what kinds of drinking and what patterns of drinking or levels of drinking are acceptable within that.

Q75 Dr Naysmith: Dr Kneale, I think you are arguing that consumer tastes and cultural factors are the most important influences on alcohol consumption. That might suggest to some people perhaps that the government cannot do very much to change alcohol consumption, yet the government's interventions to restrict alcohol during the First World War did appear to have an effect. How helpful have government interventions been to reduce alcohol consumption historically?

Dr Kneale: I think the most successful interventions have been those which have followed the path of events anyway. During the First World War there was very, very strong government control of production and consumption of alcohol, effectively nationalisation in some areas of outlets. That worked very well but it was at a time when alcohol consumption was declining and really it worked partly because some of the pubs that were opened up in places like Carlisle were very modern establishments which focussed on things like selling food, which tried to encourage people to sit down, to drink slowly and so on. All of those things were things which were happening outside those areas as well, so it was really effective because it tapped into people's desire for more modern, fashionable, clean, efficient environments. Things like the drink driving legislation succeeded extraordinarily well; that is probably the most successful piece of 20th century legislation in terms of alcohol partly because it really hit the public mood. The way people responded to it was to decide that drink driving was dangerous, unjust and a kind of moral failing and it matched people's ideas.

Q76 Dr Naysmith: What do you think we could do now that would work, similar to some of these historical pluses, if any?

Dr Kneale: That is a difficult question. I do not want to suggest that governments cannot lead and only have to follow because I think that policy does obviously affect this. Some of the things we heard about this morning in terms of changing prices, while I am not 100% sure that they would affect the middle drinkers—the people who drink wine at home because they can afford it—I think that some of the other things that were in the Scottish proposals are quite interesting, things like stopping three for two offers and so. I think the general sense that alcohol is cheap is something that has to be changed and there are various policy initiatives to do that. I think that would probably help.

Q77 Stephen Hesford: There is some confusion about the relationship between alcohol price, income and consumption. What is the historical evidence about that?

Dr Kneale: In the past people were probably more sensitive to questions of price partly because incomes were lower but partly because alcohol was a larger part of the household budget for that reason.

Q78 Stephen Hesford: This idea of spending one sixth of your income and that sort of idea?

Dr Kneale: Yes. That figure is now something like 5% or under 5% of the household budget so it is a much smaller amount and is therefore is less significant to people. If we are concerned about fairly affluent drinkers who drink wine at home I cannot see that the minimum price would affect their alcohol budget very strongly so I do not think they would be as sensitive to changes in price. There are a series of examples in the late 20th century where people faced with falling incomes and rising prices chose to drink more expensive drinks, particularly in the 1980s the

fashion for strong continental lagers meant that some young men in particular wished to spend more money on strong beers rather than accepting the economic facts and spending less.

Q79 Stephen Hesford: Is that a kind of designer label for beer?
Dr Kneale: Yes, it is about taste and about particular kinds of brands.

Q80 Mr Scott: If you could chose the most effective solutions to alcohol related harm, given historical and cultural influences what would they be?
Dr Nicholls: I think that the way licensing functions is not a decisive factor but I think it is an important one. As has already been pointed out, historically a lot of the periods where you have had spikes in consumption or spikes in concern over anti-social behaviour have tended to follow free trade and laissez-faire approaches to licensing whereby the assumption has been that the right to sell alcohol is a natural right which the government, on a kind of capricious whim, puts some controls onto rather than seeing the right to sell alcohol as being something that should, by definition, be regulated by the state and which is a kind of gift to the individual retailer. Where you have had periods when you have had a free market approach to licensing you tend to get an expansion in the number of outlets, you tend to get an expansion in the levels of consumption. I think that one of the things that happened with the 2003 Licensing Act is that a lot of people focussed on the 24 hour licensing issue. One of the more important features of it was the way the licensing control shifted from magistrates to local authorities which was interesting in principle in terms of giving some popular control over licensing but the regulations that were placed on licensing authorities in terms of the considerations they could give to rejecting licence applications were so strict that it became very difficult for licensing authorities to find grounds for the refusal of licensing applications. Being clearer and more robust in terms of licensing regulations and making it clearer that there are certain rules by which you have to abide in order to acquire a licence has some historical evidence to show that that has had an impact on alcohol related harm. I think focussing on licensing is a very important issue.
Professor Plant: My answer relates to price. There is a scientific consensus of which bits have been described over the years starting with the government's own think tank report in 1979 which is classified under the Official Secrets Act. I have a copy on my shelf because it was leaked, published by the University of Stockholm and some of us received copies. This made the point back in 1979 that alcohol education does not work, that if you really want to reduce the level of alcohol problems in the country price is the key. There are hundreds of studies about the impact of taxation on alcohol consumption and the bottom line is that alcohol consumption in this country is exactly paralleled with the over all level of mortality. We have recently had an example of the pay-off from the very recent down-turn in alcohol consumption which has been accompanied by the first drop in alcohol related mortality we have seen in decades. The report by Petra Meier and colleagues at Sheffield University gives a lot of the background evidence but it also spells out some of the options. I think the option that the chief medical officer and also the Scottish Government have picked of minimum unit pricing is very powerful because it has a trivial effect on the great majority or people who would only have to pay five or six pounds a year more for their alcohol; it would save 3000 lives a year; it would cut the number of days lost in absenteeism; it would cut hospital admissions and alcohol related crimes by many, many thousands; it would also save a million pounds a year. That is tangible. Other counties have actually done this periodically. Price has been used traditionally in countries like Finland to manipulate the level of alcohol problems that is politically acceptable or desirable. I wish we would do it to.
Dr Kneale: I would agree with Martin that these epidemiological studies do show very important benefits and good consequences of changing price, but the rise in drinking over the last 30 or 40 years is largely something to do with the rising popularity of wine, the importance of off sales, probably supermarkets and that kind of bulk purchasing. It seems to me that while the proposals to do with the minimum unit price will affect off sales more than they would on sales, I really think that supermarkets and off licences probably need more attention, more regulation in some way. I am not entirely sure what that would be, but that seems to me to be the area that needs focussing on.

Q81 Dr Taylor: Professor Plant, you have given us this very stark press release about the study comparing different countries with binge drinking and you tell us that we are the third highest: "Once more UK teenagers reported high levels of binge drinking, intoxication and alcohol-related individual, relationship, sexual and delinquency problems", ranking third just after Bulgaria and the Isle of Man. Why is the teenage drinking culture in this country different from others?
Professor Plant: We started this series of surveys in 1995; these are surveys of 15 and 16 year olds across Europe ranging from Greenland in the West to Russia in the East. British teenagers are really quite distinctive because, although they have consistently reported very high levels of periodic heavy drinking, very high levels of intoxication, they also report exceptionally positive views of what their expectations are going to be about when they go out to drink. One of the real problems is that in any country where we have evidence, binge drinking is eventful drinking. It is risky. Teenagers who engage in binge drinking are more likely to use illicit drugs, they are more likely to smoke, they also see themselves as much more likely to have fun. They seem to accept a degree of battle damage in terms of adverse effects. UK teenagers also report very high levels of adverse consequences. This contrasts tremendously, for example, with teenagers in France

who feel that drinking is less dramatic, less eventful, less meaningful and less important than young men and women appear to do in this country.

Q82 Dr Taylor: So they are attracted to it because of the risks associated with it.
Professor Plant: It all goes as a package deal. There has been a huge change since the mid-1990s with alcohol consumption amongst young women. When I started alcohol research in Edinburgh in the early 1970s some of the pubs there would not admit women. That seems very hard to imagine because these days, if you look at any group of town centre pubs in any town in Britain, almost all the advertising is aimed at young women; almost all the photos outside show young women; there are a lot of bars around with discriminatory offers (women can drink free tonight and things like this). I think the degree of unrestrained and quite irresponsible marketing that we have seen in the UK is possibly the worst in Europe. Most other European countries have stable consumption or, in some cases, it has come down a lot. The Italians have brought their consumption down so that it is now below ours which is really quite remarkable; as they have been going down, we have been going up. Supermarkets at the moment are exhibiting the morality of a crack dealer. They have been told for several years that what they are doing is completely irresponsible. Cheap alcohol kills people.

Q83 Dr Taylor: Absolutely. You would say that young women are being specifically targeted.
Professor Plant: Yes, there is no doubt about this. This is reflected by the fact that the biggest changes in the kinds of things people are drinking. There is a very big increase in wine consumption which largely, although not exclusively, involves young women.

Q84 Dr Taylor: At the age of 17 when driving becomes allowable, does this have an effect? Does it reduce at the age of 17? We have been told that drink driving really is now not culturally acceptable. Has this had any measurable effect?
Professor Plant: Drink driving is far less commonplace than it used to be but there is some evidence of an increase in drink driving amongst young women, still at a very low level compared with what we saw before the legislation. In general people separate out their drinking and driving but we still have hundreds of deaths every year caused by this unfortunately.

Q85 Dr Taylor: So you cannot say that the 16 year olds are experimenting and then when they become a little bit older they lessen the binges.
Professor Plant: Not any more. Teenagers in the UK now drink twice as much as they did in 1990 which is a staggering rise. Studies we have done as part of an international project on gender in alcohol called *Genesis* show that the heavier drinking amongst young men actually continues into their 30s and 40s. Amongst young women we do not know whether this very heavy drinking sub-group that we have now—we picked up 80% of women in their late teens and early 20s drinking at least a bottle of spirits in a survey in 2000—is a blip and when these young women become older—if they have children, if they develop stable relationships—we are not quite sure if that is going to reduce. The bad news is that all the health indicators amongst younger women are still going up alarmingly.

Q86 Dr Taylor: Where are these drinkers getting their alcohol from? Is it getting easier for them to get it in pubs or are they getting the cheap stuff from the supermarkets?
Professor Plant: In the teenagers' survey, because that is related to 15 and 16 year olds, only a minority appear to be drinking in bars and clubs, although some of them are. It is certainly easier for a 16 year old girl to pretend she is 20 than for most 16 year old boys, I think. Teenagers generally drink the cheapest stuff they can get, not alcopops but cheap cider or cheap wine and the obvious source of very, very cheap alcohol at the moment are the supermarkets who are sometimes selling alcohol as a deliberate loss leader. In my own local supermarket, Sainsbury, last time I was there they had two separate alcohol promotions that involved offering people drinks even though almost everybody had driven to get there. There is alcohol at the end of almost every aisle.

Q87 Dr Taylor: You cannot walk into a supermarket without seeing the masses of piles boxes on the way in.
Professor Plant: That is correct.

Q88 Dr Taylor: So you think the pubs are really controlling the under age drinking reasonably well except the girls who can make themselves look 35 and not 15.
Professor Plant: It varies. There has been some good evidence in places such as Newcastle have had more female bouncers that is an improvement because they are more able to search young women, they are more able to safeguard young women and if young women are getting into problems or feel threatened in any way they are more likely to approach a female bouncer than males who are often seen as rather predatory.

Q89 Dr Taylor: Do female bouncers exist?
Professor Plant: Yes, they do.
Jim Dowd: It is a different world, is it not, Richard.

Q90 Chairman: The licensees are responsible for selling on alcohol to people who may have had too much. What is the difficulty in doing that in a local village pub as opposed to a night club?
Professor Plant: They do it very well in North America. Hardly anybody is convicted of serving alcohol to intoxicated people in the UK even though this is against the law. In North America, particularly Canada, there has been a lot of work done on server training and it is very usual for a bar tender in somewhere like Toronto, for example, to

say, "Sorry, I'm cutting you off; you've had enough". I have never, ever heard that done in a British pub, or maybe I just go to the wrong pubs.

Q91 Chairman: But it is part of the licence as I understand it.
Professor Plant: Yes, it is a legal obligation which is widely ignored.
Dr Stoate: Even worse than that, I was refused service in America because I could not prove I was over 25. No ID, no drink. They were very adamant about it.
Jim Dowd: But you were drunk as well!

Q92 Dr Stoate: That is not the issue. The issue was that it was extremely well policed and I have to say I was impressed.
Dr Nicholls: There are all sorts of other reasons why the licensees of smaller establishments may want to retain control in terms of the way people drinking in their establishment behave. In some of the larger superbars you have very large numbers of staff who are not necessarily well trained, who are not necessarily very well paid and who have no particular investment in policing behaviour in what is quite a dangerous environment for them. If the behaviour becomes antisocial they have bouncers on the door and they can simply chuck the problem out onto the street where it becomes a police issue. So there is not really that intrinsic motivation for the licensee and for the employees to maintain order in that kind of way. I think that is also another issue that has arisen, particularly from the rise of a particular model of bar which is the bar that is enormous, it is policed by bouncers who occupy an semi-formal world anyway in terms of their status as law enforcement officers. I think there is an issue there about distinguishing between the different types of establishments. One of the problems in the way this has been approached historically is that people look at the issue of drink retailers being fairly homogenous and there are a lot of differentiating factors between different types of establishments which are really important and need to be addressed if you are going to identify the problems, the issues that need dealing with and the issues that possibly do not need dealing with.
Professor Plant: There were some parliamentary inquiries into pubs and trouble in the 19th century. One of my colleagues discovered this and it is interesting when we talk about vertical drinking now in thinking about Weatherspoons and some of their places, the term they used then was perpendicular drinking. It would be worth looking at this because those inquiries took some amazingly detailed evidence about even whether the shape of the bar makes a difference to the level of trouble and harm.
Dr Nicholls: There was also Mass-Observation, who did a fantastic piece of research which involved people in Liverpool where they had perpendicular drinking (this was in the 1940s) and bars in Bolton where they tended to sit down. The observers actually timed how long it took people to finish a pint, depending on whether they were standing up or sitting down. It was something like two and a half minutes' difference. It is quite interesting as well because they actually looked in terms of how quickly people drank and what they did, whether they were standing up or sitting down, whether having alternative games available in the bars changed things, whether having women in the bars changed things.

Q93 Jim Dowd: Did they drink faster standing up?
Dr Nicholls: Standing up they drank a lot faster, yes.
Professor Plant: We produced a review recently called *Bad Bars* and my favourite study is an American one which shows that the speed of the drinking in a bar is inversely related to the speed of the country music being played on the juke box.

Q94 Chairman: It was also about the time on the clock because at about 25 past 10 you would order another pint even if you had a full one in your hand.
Dr Nicholls: And that was one of the reasons for the introduction of 24 hour licensing, because that was a genuine issue.

Q95 Sandra Gidley: Professor Plant, I want to pick up on an answer you gave to Dr Taylor. You said that when young people drink they are much more likely to use drugs.
Professor Plant: The heavier drinkers.

Q96 Sandra Gidley: We hear quite often that cannabis is a gateway drug. Is it actually the case that alcohol is the real gateway drug?
Professor Plant: Yes. In fact there have been a lot of studies for a long time which show that if you look at the heaviest drinkers, heaviest drug users, heaviest smokers, usually they begin their career of experimentation with what is most readily available, which is usually alcohol. The ESPAD study has a lot of fairly complicated findings but most of these teenagers reported that the first drug they ever tried was alcohol followed closely by tobacco. Very often glues and solvents are on the list as well because they are much easier to get at. A lot of British teenagers see drugs like cannabis as fairly easy to obtain although drug use across the European teenage group, including ours, has gone down quite a bit over the period since 1995 when we have been running these surveys.

Q97 Sandra Gidley: Coming back to the survey, the EU data shows that around a quarter of deaths in young mean and a sixth in young women are alcohol related. That seems quite a lot. Is that the same pattern for the UK?
Professor Plant: I forget the figures but what our ESPAD survey showed was that even in a representative group of normal teenagers, 26% reported having had an alcohol injury or accident in the previous year and a third reported being admitted to hospital (usually, again, that was because they had hurt themselves rather than because they had a chronic illness). It is not difficult to find teenagers who have damaged themselves somehow, usually through drinking a lot on a Friday night or a Saturday night.

Q98 Sandra Gidley: When it comes to deaths from alcohol, is that usually—
Professor Plant: Fortunately there are not too many of those amongst the younger group. We did a study years ago looking at primary school children and very few of those come to grief unless it is through some kind of overdose which could just as well be alcohol or Domestos. Amongst teenagers road traffic accidents combined with alcohol is a big part of the sum total.

Q99 Sandra Gidley: Other than early mortality, are there any other effects of our current teenage drinking patterns?
Professor Plant: The kind of adverse consequences that teenagers report are having had unplanned sex that they have subsequently regretted, having had unprotected sex, been in fights or arguments fuelled by their own drinking and damaging their relationships with friends or parents. Those are the most common.

Q100 Sandra Gidley: Is that the same in the UK compared to the rest of Europe, or does the UK have a different pattern?
Professor Plant: I am afraid the UK has very high levels compared with most other European countries.

Q101 Sandra Gidley: So it is more of the same or is there a different distribution?
Professor Plant: It is more of the same. In fact there are huge difference across Europe from very levels of almost everything in Armenia to very high levels of problems and trouble around alcohol in the UK, Denmark and the Isle of Man. We compare very badly by international standards. We led the way in teenage girls binge drinking more than boys; that was confined to the British Isles in 2003. This time UK teenagers have been joined by quite a lot of Scandinavian countries too.

Q102 Jim Dowd: Just to follow up that point, to most people who do not follow motor cycle racing the Isle of Man seems like an odd kind of oasis of calm in the world and yet it appears in this study with astonishing regularity as having problems with alcohol and certainly illicit drugs. Do you have any insight into this?
Professor Plant: The Isle of Man is rather strange. I ran the Isle of Man survey not this time but previously and we have also done quite a big survey of adults in the Isle of Man. It is essentially a rural area. There is only one place that is a real town so it is a bit like the western isles of Scotland. What the people on the Isle of Man say is that teenagers, because of mass media and because of the internet and television, have the same culture and aspirations as teenagers either in Ireland or the UK. There has been a tremendous increase in the drugs scene in the Isle of Man over the last few years which they attribute to the fact that it is very easy to get things in from either the UK mainland or from the Irish mainland. What is very strange is that adults on the Isle of Man do not have the same heavy drinking culture amongst young women in their twenties that we have here. Again, to rather contradict some of the other evidence, the view from the alcohol problem teams on the Isle of Man is that it is all too conspicuous; you cannot be anonymous on the Isle of Man. If you get very drunk in Douglas your grandma will know before you get back home. They make the point that that maybe restrains people in their twenties, but the evidence of the teenagers study suggest that it is not making much difference with teenagers, except a lot of them are not using alcohol at home, they are going outside and in the Isle of Man outside is the middle of nowhere.

Q103 Jim Dowd: It is a large village really.
Professor Plant: With very limited social amenities.

Q104 Jim Dowd: The problem of binge drinking in the UK is very much around cities and large town centres rather than rural areas.
Professor Plant: Some of the most visible problems are in towns and city centres, but in ESPAD we have looked at whether rural areas have different patterns of teenage drinking, smoking or drug use from other places and the only difference we have found is that teenagers in towns are more likely to use ecstasy. Teenagers in the country are just as much likely to drink heavily; they may be going into the nearest larger place to do it at the weekend. What we do know is that teenagers across the country are typically getting alcohol from supermarkets and beginning their evening drinking cheaply at their house or somebody else's. The Canadians call this "pre-drinking"; in Scotland it is "front loading". This is a way of cheapening drinking so that you are pretty much drunk before you go out to drink more expensively in pubs and clubs.
Dr Nicholls: I think one of the issues is that if all you do is look at newspaper reports and news reports on binge drinking you would think that the issue is young men and women in city centre high streets punching each other or staggering round drunk. That is partly because of the way that it is reported and you do not tend to get binge drinking stories with a photo of a supermarket shelf; it is just not an interesting photograph. I think that the perception of where binge drinking happens or the harms that are associated with it or who is responsible for those harms is driven largely by people's perception that is based on the way it is represented in the media.

Q105 Jim Dowd: Journalists reporting on excessive drinking I think is a rather difficult relationship. On Scandinavia, my understanding is that alcohol is much more expensive, it is much more restricted in access and yet they have some of the worst figures for alcohol related harm and disease.
Professor Plant: Scandinavian countries, because they have adopted a fairly restricted alcohol policy, have kept their consumption down and their mortality, their health damage and, to some extent, their criminal justice problems are lower than in the UK. Since joining the European Union that has changed a little bit and they do have problems of cross border alcohol smuggling. In Norway they also

have a big making your own alcohol tradition to such an extent that about 40% of the alcohol Norwegians drink is made by themselves in the woods.

Q106 Jim Dowd: Is that because of the price or is that just what is done?
Professor Plant: Traditionally it was the price but actually the Scandinavian's tendency to use taxation to keep the problems down has worked reasonably well.

Q107 Chairman: Are some of these issues about reported problems with young binge drinkers, town centres versus rural areas, to do with the way that planning laws have been forcing entertainment into town and city centres to keep them alive and, as a consequence, they are the ones who are spilling out at two o'clock in the morning having had quite an alcohol fuelled few hours?
Dr Nicholls: One of the most significant historical shifts that occurred in the 1990s was that for the first time municipal local authorities, rather than seeing drinking as a leisure activity which they were responsible for regulating with more or less strength, they started to see the promotion of the night time economy as being central to their economic planning. That is a genuinely significant historical change. The question of the extent to which that has actually impacted on consumption is slightly more difficult again because I think the focus tends to be very much on what is a very visible problem of city centres. There are other issues beneath the radar as it were, but I think certainly in terms of the perception of the problem in terms of antisocial behaviour, and in terms of creating a culture in which the social norms and expectations that young people are immersed into when they are very young is that they see images all around of slightly older people getting drunk in a particular kind of a way. There is a real shift there historically, a kind of understandable one in some ways in that the local planning authorities in the early 1990s were faced with a bit of a conundrum as to what to do with their city centres and it did appear that if you could go down the path of the continental café (if you had looked at Barcelona and said "well, Barcelona managed to regenerate itself and it has a vibrant night life, it's a 24-hour city" and so on) it is kind of understandable in a way that that decision was made but that was combined at the same time with the entry into the market of very powerful multinational retail operations who were opening a lot of these establishments. So you had a kind of relaxation of licensing controls combined with the entry into the market of very powerful retailers and I think the unexpected consequence is what we see now in our high streets.
Dr Kneale: At the same time people were increasingly drinking from supermarkets. They might have been pre-loading and going out to these sorts of city centre places but I think in 1975 90% of all beer consumed in Britain was consumed in pubs and it is now something like under 50%. These places are very visible but they are only part of more serious drinking issues.
Dr Nicholls: If you look at the most recent statistics at the Office of National Statistics from last year you look at where people report having had their most heavy drinking occasion in the last week and in most cases, over the age of 25, it is at home. That is where the heavy drinking is taking place. Even for people between the age of 18 and 25 it is still a significant proportion who are drinking at home. And, given that this is self-reporting, the pre-drinking is liable possibly not to get recorded on that because you may start drinking at home but then perceive yourself as having your most heavy drinking occasion in a pub. I think that is another thing to look at in terms of the distinction between home drinking and drinking in pubs.
Chairman: Could I thank all three of you very much indeed for coming to help us. Could I also thank you for the written evidence that has been sent which has been published. I do not know when this inquiry is going to end or in what state it will be, but hopefully it will be as sober as when it started. Thank you very much indeed.

Thursday 7 May 2009

Members present

Mr Kevin Barron, in the Chair

Charlotte Atkins	Mr Lee Scott
Sandra Gidley	Dr Howard Stoate
Stephen Hesford	Dr Richard Taylor
Dr Doug Naysmith	

Witnesses: **Professor Mike Kelly**, Director, Centre for Public Health Excellence, National Institute for Health and Clinical Excellence (NICE), **Dr Lynn Owens**, Nurse Consultant, Liverpool PCT, and **Dr Paul Cassidy**, GP, Gateshead PCT, gave evidence.

Q108 Chairman: Good morning. Welcome to our second evidence session on our inquiry into alcohol. Could I ask you for the record to introduce yourselves, please.

Dr Cassidy: Dr Paul Cassidy. I am a GP in Gateshead. I am also Associate Medical Director in the PCT and I am a research assistant at Newcastle University. I have been working in the alcohol field for about 10 years.

Professor Kelly: My name is Professor Mike Kelly and I am the Director for the Centre for Public Health Excellence at NICE.

Dr Owens: I am Dr Lynn Owens. I am a Nurse Consultant and Alcohol Clinical Lead within Liverpool PCT and an Honorary Research Fellow at the University of Liverpool.

Q109 Chairman: Welcome. I have a general question to all three of you in relation to alcohol and the National Health Service. Last week we heard a lot of statistics about alcohol related problems. I wonder if I could ask each of you to give us an idea of how alcohol impacts on your little parts of the National Health Service from a personal experience point of view.

Dr Cassidy: It is a routine part of my clinical work. One of the dilemmas is that, often, when GPs think alcohol, they think alcohol dependence. They are the patients who seem to give us the biggest problem, because we have problems getting them into treatment and it is a chronic illness. I see the non dependent drinkers, of whom there are a lot, in everyday practice, and the challenge for me is to pick those people up. The impact is often felt on the more dependent end, but there are the more subtle effects of raising people's blood pressure or leading to small injuries that affect the normal patient who comes through the door. Certainly it is a common and routine part of clinical practice.

Dr Owens: I work in both primary care and the acute hospital trust. As Paul says, within primary care you have an opportunity very much to help patients recognise that what they are presenting with to their GP could be a direct consequence of what they are drinking—minor things like gastritis—and it is an ideal opportunity to give patients advice, information to help them change their lifestyle and do some positive things that prevent future ill health. In the acute trust we tend to see more of the more complex and dependent patients. We know that within Liverpool up to 70% of our A&E attendances at weekends are alcohol related. Those attendees tend to be the younger age group and are to do with drinking behaviours, getting into fights, accidents and injuries. We also see patients attending with end organ damage and severe medical co-morbidities directly attributable to their alcohol consumption. We have to take that opportunity to ensure that patients understand the role that alcohol has played in their becoming sick. As Paul says, it is not always cirrhosis or something that almost everybody knows is caused by alcohol; it is things like strokes, neuropathies cancers, atrial fibrillation. There are lots and lots of other very serious medical conditions that make people come to hospital for help. At that point, they are very desperate. Traditionally we have not had services that are able to respond quickly enough to be able to give them real choices of effective treatments to help them at that point.

Professor Kelly: As you know, of course, NICE does not deal with patients in a direct sense, but NICE presently is undertaking a series of reviews in three areas relating to alcohol. One which I am leading on is on the prevention of alcohol misuse. The second is a clinical guideline on the management and treatment of people with alcohol problems. The third is dealing with alcohol dependency and the psychiatric sequilae. There are three big pieces of work underway presently and due for completion in May 2010. My brief on the public health side of things is to determine the extent to which screening, bio-chemical markers, clinical indicators and so on—but particularly screening questionnaires—are effective at picking up these problems early; secondly, whether brief interventions are a cost-effective response; and, thirdly, what are the key barriers to change that arise, both in terms of service configuration and organisation as well as behaviour change as far as patients or members of the public are concerned. We are also going to look at the impact of price and availability and advertising, and the degree to which that, as a sort of very upstream impact, leads to the sorts of problems that my two clinical colleagues were talking about.

Chairman: We will be picking up on one or two of those issues as we go ahead this morning.

Q110 Charlotte Atkins: Professor Kelly, I will start by putting this question to you first, in view of the work that you have been doing. What more could be

done by the NHS to prevent the development of alcohol related problems? I do not know what has been demonstrated by your own work, but what is your view on that?

Professor Kelly: Our own work at the moment is midway through. The committees that are doing the guides are meeting this morning in Manchester, so I am absent from that to be here at a rather different committee. In terms of the overall approach, the first thing, I think, is that the National Health Service has to recognise alcohol as the major priority, for the reasons the statistics that were spelled out to you at the last session make clear, but, also, the National Health Service has to see this as a key priority and to own the problem, to take the problem. It is not someone else's responsibility. In a sense, it is all our responsibilities involved in the Health Service. Second, we need to acknowledge and recognise that the problem is something which is potentially changeable. The reason why I can say that with confidence is that we have seen changes over time. in the last 25–30 years, in patterns of alcohol consumption, patterns of alcohol use and patterns of alcohol-related disease which are the consequence of cultural and other kinds of changes that have gone on, and that means you can change it back. It is not an inevitable juggernaut that is in some sense unstoppable. There are things which may be done in order to move things on. Third, we need to implement and make as effective as possible those things which we know to work. I will talk about that subsequently, when talking about brief interventions and screening. We have here an evidence base and a set of technologies for which, in public health terms at least, the evidence is very good. It is not always the case in my field—we often have to deal with very patchy and uncertain evidence—but in this field it is pretty good. Given what we know, although our committees have not yet pronounced on what they are going to say, the existing evidence, which is all of course in the public domain, makes it clear that we have these effective technologies. We need to make them available and useable. It is also important that we integrate approaches to alcohol within a broader approach to the ways in which people live. That is to say, only focusing on alcohol as the problem may not be the most efficient way to work in the primary care setting. It is linked to a range of other things around the way people live, work and spend their leisure time. The response to the problem has to be built into that; it is not simply focusing on that as a problem and stigmatising the alcohol abuser as a consequence. It follows from that that any direct interventions in an NHS setting have to be done in a non judgmental way. One might say that ought to go without saying, but it is an important thing to remember as part of the process. The evidence at which we have looked suggests that you can embed this in routine care. It does not have to be hived off until you have very serious problems, it does not need to be hived off to a group of very particular specialists necessarily, but if routinely doctors and nurses are to do this, it needs to be backed up with appropriate training and it needs also to be borne in mind that we must not give GPs, in particular, but also nurses too much overload, yet more things to be done in a general practice consultation. So long as it is done in a balanced way, it looks as if we have some promising things to hand.

Q111 Charlotte Atkins: You talked about picking up problems early. You obviously inferred that the NHS could not do it on its own. Is there any evidence of the effectiveness of multi-agency centres based in schools to try to pick up problems? Related to that, do you find that alcohol tends to go through families and, therefore, is the possibility to pick up the alcohol-related problems of young people based on the experience of their parents?

Professor Kelly: We did produce NICE guidance, in 2007 I think it was, for the school sector on picking up alcohol problems with children, children in secondary schools in particular. In so far as we were able to make sense of the available evidence there, there is good reason to suppose that you can focus on that particular group of the population, youngsters in the school system, as a way of detecting early problems and either referring into appropriate early treatment or dealing in a more universal kind of way—the "stop and think moment" for the person who is drinking too much, so to speak. I am not aware of work on multi-centres, but my colleagues might be—certainly we have not looked at work up until now—as a way of dealing with this. As far as I am aware, and I will double check, I do not remember us coming across that in the evidence base so far. That said, there is all sorts of lateral evidence that would lead one to suppose that that might be a highly effective strategy, because, in general terms, multi-faceted, multi-agency working in public health tends to be a great deal more effective than single-agency working or a single focus. I would not be at all surprised, if such evidence were available, therefore, that it would be supported with that kind of approach. To go on to the question of families, I believe it is the case that patterns of drinking are learned as much as anything. One of the places they are learned is in the family settings, with role models. That is not at all surprising, given other things we know about the way people learn in families. The interesting question you have raised is whether that should be used as a basis for case finding. I am much more familiar with case finding that is done in that way in relation to something like heart disease, where a successful strategy you can use, having identified a family where heart disease exists in a first-degree relative, a brother or parent or something like that, is that is a good reason to go to seek that case out again. It is working laterally rather than directly from the evidence, but the lateral thing that your question presupposes would be a very important hypothesis to take forward, I would say.

Q112 Charlotte Atkins: Would other panellists like to come in on this issue of prevention and what you think works within the NHS?

Dr Owens: I think it is really important to take a whole approach. Clearly you have had evidence about price and promotions. I think we need to re-design our city centres, so that they are mixed economies and they are not just for young people binge drinking, and then we need to provide good, sound, clear advice to individuals about their drinking at the earliest opportunities possible. That should start as early as health in schools, when you visit your GP for routine vaccinations and things like that, and then to help individuals recognise at a very early stage, when they are becoming sick, of the role that alcohol might be playing in that, because I am constantly surprised by reports from patients who have really quite significant co-morbidities, that alcohol and its role in their co-morbidity has never been discussed—from many patients they have been sick for 10 years. I think there is this stigma. We have to have a system whereby we do not stigmatise patients, where we do not make them feel that they are to blame, where we treat them very much as individuals and are able to give them individual advice and individual care based on their medical co-morbidity and their particular drinking pattern.

Q113 Charlotte Atkins: Dr Cassidy, do you see your role as helping to prevent alcohol problems developing or do you just see your role as being primarily to treat the effects of alcohol?
Dr Cassidy: This is one of the central paradoxes of this topic, because GPs' thinking is dominated by the dependent end. When we talk to GPs and do qualitative research, there is a cynicism and a pessimism about the topic because people focus on that end. We know the majority of problem drinking, 23% of the population, is hazardous/harmful, and it is a much smaller percentage, 3.6%, who are dependent. We can get the biggest gains early on with the hazardous/harmful. We use the expression "numbers needed to treat": we need to treat eight patients with a brief intervention to get one of them to drink healthily. That is similar to that for smoking cessation with the use of patches' nnt of 10. The evidence is that it is incredibly effective. Most GPs would acknowledge that there should be something they should do, but they struggle to do it, and there is a cynicism and pessimism because of the focus on dependent drinkers. There is a need to help the system work with dependent drinkers so that we can feed people through quickly. If GPs are going to screen more and more patients, they are going to give up on hazardous/harmful drinkers but they are going to pick up a lot more dependent drinkers, and if they pick up the dependent drinkers and nothing gets done with them, they will feel very discouraged. When we talk to GPs, there are many other barriers as well, such as time, materials, perhaps some financial incentives in the system. It has been very heartening to hear that in the new GP contract there is now a new direct enhanced service for alcohol for new patients, so I think there are some system changes we can make for general practice to make it easier. GPs would want to work with the Government and the PCTs. If they think they are doing everybody else's jobs, they get turned off as well. That is why issues of units, labelling on bottles, licensing laws, taxation issues also affect GPs' thinking, because if in the consultation you are battling against all these social trends, it can be very discouraging.

Q114 Dr Taylor: I found it staggering to learn from our briefing that even a five- to -minute focused discussion could be so effective. You have already said it helps one out of eight. What other evidence is there that these brief interventions are effective or cost-effective?
Professor Kelly: This is one of those areas in public health that stands out with the quality of the evidence and the quality of the direction which the evidence gives us. I will not say it is exactly unique, but it is remarkable in some respects. I will give you some examples. Brief interventions are effective in reducing the following: alcohol consumption; injury; mortality; morbidity; and the social consequences. There are currently 27 systematic reviews, including those from the United Kingdom, demonstrating that degree of effectiveness; in other words, that is a pretty strong scientific basis. That it works in primary care: there are another six systematic reviews that demonstrate that unequivocally. That it is effective for both men and women: it is the same evidence, of course. That it is highly effective for adults: again, it is in the evidence. Where we are less sure—but given the forcefulness of what we do know one can have some confidence that it is probably not a major problem—is whether it is as effective as you go down to younger groups. That is not necessarily completely clear, but it seems quite likely that it would be. We do not have too much in relation to differences by socio-economic grouping. But alcohol is a bit unusual in terms of a public health problem, in that it does not follow quite the same pattern of health inequalities that we see in some other areas. In that sense, it is perhaps less of an issue. The other thing, Dr Taylor, of course, is that even very brief interventions, just the "stop and think moment", have been demonstrated to be effective too.

Q115 Dr Taylor: Whatever do you say in this very previous five minutes? How do you think it is so effective?
Dr Cassidy: The key, the magic of the consultation in primary care, is that we know our patients. We have long-term relationships, so they trust us. If we reflect back to them and challenge their thinking that their drinking does not lead to harm, that has enormous power. Also, if you are able to offer simple steps, simple guidance based on this trusting relationship, it seems to work.

Q116 Dr Taylor: That is why it is effective in primary care.
Dr Cassidy: Yes. We are not quite sure—and our big trailblazer Department of Health research is looking into it—how much extra work and counselling you need to add. Do you get any added value by putting more effort in? In a normal primary care consultation you are really just working for about a

minute's worth of time, whereas extended interventions are about 20 minutes/30 minutes, and that is when you may need to refer to a nurse or an alcohol councillor. We are still not 100% sure if it is worth doing that in a cost-effective way.

Q117 Dr Taylor: Is it really scare tactics?
Dr Cassidy: No.

Q118 Dr Taylor: It is not.
Dr Cassidy: No. It is working for patients. It is understanding their agenda. It is an education. It is a more motivational approach to public health.

Q119 Sandra Gidley: I would contest, in the way you are describing it, that you can do that in a minute.
Dr Cassidy: You can if you know your patient.

Q120 Sandra Gidley: Yes, but lots of patients do not go to their GP that frequently, so you do not really know them as well as you might think.
Dr Cassidy: 90% will attend every five years and about 70% every year. It is surprising how much you do get to know your patients.

Q121 Sandra Gidley: Do you know people quite a lot if they only go once every five years?
Dr Cassidy: You know their families, you know their context. There are some who are more passing in and out.

Q122 Dr Taylor: Could this be extended to other sorts of fields, other venues? Could it be done in A&E?
Dr Owens: Yes. It is done in A&E. I think we have to be very clear about who we are talking about and what level of GP. There has to be really good and accurate assessment as to the patient's level of risk in terms of their drinking. If they are a low-risk drinker, you need much less time than if they are a high risk drinker. You also have to look at the consequences of their drinking that have already occurred. Clearly, if a female is attending an emergency department with a broken ankle because they fell off a bus and they are someone who drinks just above sensible limits, your intervention will be very different for them than for someone who is attending an emergency department with chest pain, for example, who drinks 10 units a day. Then you would require a more extended brief intervention. That is where we are still building the evidence base, although there is some good evidence that that can be highly effective in moderating a patient's drinking but, more importantly, helping them to increase their wellbeing and functionality as secondary outcomes to how they manage their drinking behaviour.

Q123 Dr Taylor: Who is going to do this in a chaotic stressed A&E department?
Dr Owens: It is about making the best use of a highly skilled workforce. You can have an individual as a clinical lead, or someone who is there in terms of good leadership, like myself, a nurse consultant, or a consultant within the department, but support others to deliver the more minimal interventions as part of their everyday work. For example, a triage nurse does give brief advice around alcohol consumption, particularly to a young person attending because they feel they might have had their drink spiked. That is something that a nurse would do within her normal role, whether or not they acknowledge for themselves that they are giving brief advice—and perhaps they do not. For the second scenario patient, clearly they would require something quite different, and that is where the role of alcohol specialist nurses within the acute setting may come in.

Q124 Dr Taylor: We are going to come on to that a little bit later. The ordinary A&E staff should be able to give the very brief advice.
Dr Owens: Yes.

Q125 Dr Taylor: And then somebody on call to come in and give the extra.
Dr Owens: Yes.
Dr Taylor: Thank you very much.
Chairman: We are moving on to a few questions around primary care now, Dr Cassidy.

Q126 Mr Scott: Dr Cassidy, as a family GP you must see evidence of the impact alcohol has on families the whole time. Could you tell us a bit about that.
Dr Cassidy: When we look at the attributive fraction that alcohol leads to diseases, it affects the whole disease spectrum in many ways. It is leading to extra high blood pressure and extra strokes, so there is a physical effect on the family. Clearly when we look at the dependent end, that is when we start seeing more problems, more child protection issues, families struggling to cope in our local societies or the communities and using alcohol as a coping strategy which is then, unfortunately, self-defeating.

Q127 Mr Scott: Perhaps the impact on children.
Dr Cassidy: Yes. It would be mainly through the parents. For children who are in families with parents with alcohol dependency, it is a well-known phenomenon that they become carers looking after their parents. It is a regular occurrence; it is not an infrequent occurrence. They are issues that we are involved with. Certainly, once you get to child protection and conferences, I think it is up to about 50%. A lot of child protection cases have alcohol or substance misused involved.

Q128 Mr Scott: What about domestic violence?
Dr Cassidy: The link with alcohol?

Q129 Mr Scott: Yes.
Dr Cassidy: I do not have the figures for the exact number, but it is a common forensic primary care scenario that we see some families where there is a mixture of violence, substance misuse, alcohol, and sometimes mental health issues. It is a difficult triad to try to manage and see your way through the system. Again that is one of the reasons why sometimes there is a pessimism in primary care, because of the complexity of some of these cases which clouds your mind when you think about

alcohol. There is a sense that sometimes things do not improve and it is chronic and difficult at this dependent end.

Q130 Stephen Hesford: We have heard evidence that GPs basically see 90% of NHS interventions—
Dr Cassidy: Over five years. They would see 90% of their population base over five years.

Q131 Stephen Hesford: They are traditionally the gatekeeper for the service. You would imagine that GPs are best placed to do the early intervention for alcohol-related problems, that in fact you would want them to be best placed, but the evidence is that they are not.
Dr Cassidy: No. Quite the reverse, in fact.

Q132 Stephen Hesford: How well, in your experience, talking to your colleagues, do you think GPs are currently doing in that regard?
Dr Cassidy: It will vary from different parts of the country. I think there is a commitment to do it. There is a belief that something about alcohol should be in primary care. As I mentioned before, there are a lot of things which inhibit it happening. I work in Newcastle and in the Department of Health big research project we worked on how much is too much, the new programme. We worked very hard to understand the training needs of the practitioners. There is misunderstanding about what works and dependency and hazardous and harmful. There is a need for good training packages, there is a need for structural changes, such as the new GP contract, and, as I alluded to before, a need for change in the whole climate and culture, so that GPs feel they are not doing all the work—so government changes. When you get involved with practices and you do the training, most of them tend to pass some of the work to their nurses, so we think about primary care teams, it is not just the GP. But there is something special, hearkening again to the consultation, in the relationship, because of the huge stigma of alcohol. We have the opportunity to de-stigmatise it and bring it up as a public health issue and bring it to people's attention and then guide people through the different treatment pathways. Sometimes that may be a GP doing it, or quite often it may be referring to a nurse or sometimes an alcohol health worker.

Q133 Stephen Hesford: Do GPs have what I would call an old-fashioned view, that they do not see drink as a problem? They drink. They drink quite a lot. They just do not get it.
Dr Cassidy: When you do qualitative research with the GPs that is an issue. If it is 23% of the population, there will be a certain percentage of the people here drinking too much probably—a little bit. You have to bear that in mind. Again harking back, it is making people realise that it is not just about dependency. Over the last 20 years we have moved into thinking about hazardous and harmful, I think, once you have sensible conversations and show people the evidence, how it affects hypertension, how it can affect strokes.

Q134 Stephen Hesford: Is training a big issue?
Dr Cassidy: Training is a big issue. That is where primary care organisations have a role to facilitate that. Government can have a role by encouraging PCTs to do that, putting that in performance targets, and having good training materials and changing computer systems so that they work very quickly.

Q135 Stephen Hesford: We had a brief presentation before the evidence session from our colleagues who are assisting us, and one of the statistics we had then was that in 2004—and I know that is slightly historical—GPs in 70% of the cases where they had a presentation in front of them that is alcohol related, failed to refer on to specialist services for treatment. If that is right, why would that be the case? Is that now historic and are we getting better?
Dr Cassidy: No. Harking back to the fact that we need more specialist services for the dependent drinker, there is a pessimism: you pick somebody up and there is a long waiting list to refer somebody in for more complex treatment, so you get discouraged and you think, "I'm not going to pick it up. I'm not going to do anything." That occurs in other public health arenas—say obesity, and smoking in the past—but once you get extra resources and help to do it, people will start referring in. We also know the figures. Some people say that 98% of hazardous and harmful drinkers are not picked up in the consultation—so if you just go on stereotypes—you know, the guy with the purple nose the obvious alcoholic. To pick people up at the early end, we have to screen them. We have to use some clever screening questionnaires and integrate that into our practice.

Q136 Stephen Hesford: You come on to my next point. We have been helpfully provided with information about the Paddington Alcohol Test for early intervention, and we were told about brief interventions before. Do GPs have access to that? Do they routinely use it? It is a brief questionnaire. We have a copy of it here. Should they use it? Should that be available to them?
Dr Cassidy: GPs have access to lots of screening questionnaires and we are constantly refining and asking the question which one do we use. On the whole, I would guess, GPs would not use that one as much.

Q137 Stephen Hesford: It is for emergency admission.
Dr Cassidy: Yes. There are similar ones.

Q138 Stephen Hesford: You get the idea. There are similar ones.
Dr Cassidy: Yes. There is one called FAST and there is a very intriguing one which has been looked at in the Department of Health project which is called Single Alcohol Screening Questionnaire—one single question which can help decide whether somebody has a problem or not. It is almost like a pre-screening questionnaire. Those sorts of things are very attractive because people can do them quickly, rather than a big 10-item questionnaire. Although that is the gold standard that a lot of them are based

on, it does take a bit of time to do, so people are not going to do that in a normal, routine consultation. We are looking at quicker screening questionnaires.

Q139 Stephen Hesford: Lynn, do you want to say something?
Dr Owens: It is very important to say that the screening is a staged approach. NICE are doing work on what screening tools may be best utilised within different healthcare settings. Within primary care, the audit PC, which takes about a minute to administer, is the current advice; in A&E there are things like the PAT. If you get positive results, then you screen further, so it is very much a staged approach. To reinforce what Paul said, primary care is about a whole team, and there are individuals within that team who would be best placed to give different types of intervention. That goes from the receptionist through to the GP to the nurses, the health visitors, the midwives attached to practice. I think we have to see primary care very much as a team approach if we are going to be successful in responding to all patients' needs, because, although a patient may visit their GP surgery, very often it is the practice nurse whom they see for things like hypertension, screening, diabetes, and so we have to utilise that workforce as well.

Q140 Stephen Hesford: I think we have some questions on that for later. Finally, you have mentioned that there is this pessimism from GPs and that is why they do not involve themselves as much, so that is a barrier. Is that the sort of chief barrier: that down the line they do not see the services are there, even if they refer them on—the waiting list is big or something like that? Is that the issue?
Dr Cassidy: It is one of the key issues, and, again, I would say it is because of this dependency issue. They are all focused on dependency. If we can get that bit right, it will free the system up.
Stephen Hesford: Thank you.

Q141 Sandra Gidley: I am a little bit confused. Earlier on you were saying in response to Dr Taylor that you knew patients well, so you could use these interventions. Just now you said, "Well, we don't spot 98% of the people," which indicates that actually you do not now your patients that well. What is the real picture of how effective GPs are at identifying people? There seem to be two different answers.
Dr Cassidy: It is a paradox and I think it can he held together because of the stigma of alcohol. We do know our patients well, but because of the stigma and some of the fears they have about mentioning alcohol we do not know.

Q142 Sandra Gidley: But you just mentioned to Stephen Hesford in your reply, "We can't spot 98% of the people because they don't conform to the stereotype." I think that is what you said.
Dr Cassidy: Yes, I know I did. That is the overall research, yes, without using screening questionnaires. We know them well but we are not living with them, and because there is a lot of shame and stigma attached to alcohol, it is harder to pick that bit up about patients' lives. But, because they trust us in other areas, once we can bring it out with the screening questionnaire I think we are well able to get into the dialogue around it.

Q143 Sandra Gidley: Let me try to nail down how good GPs are at this. For what percentage of your patients who have some sort of drinking problem do you manage an effective intervention? You have 100 patients with some sort of drink problem. How many of those do you manage adequate intervention for?
Dr Cassidy: I think that what we are seeing across the patch is that we are not doing it well. We are only picking up a small percentage, so maybe it is two or four of those, but maybe when they are picked up, and if they are given a brief intervention, it works reasonably well.

Q144 Sandra Gidley: Even if you do a managed intervention, if you do uncover someone who you think might have more of a problem, is the fact that the specialist treatment is patchy and not always available a barrier?
Dr Cassidy: Yes.

Q145 Sandra Gidley: Why have I never been lobbied by any of my local GPs to say, "We need more training in this," or "We need more specialist services." Why are GPs so uninterested in the subject?
Professor Kelly: I think that is perhaps an unfair way of putting it.

Q146 Sandra Gidley: No, I do not think so.
Professor Kelly: Perhaps I can go back to the point I made at the very beginning. We are where we are, and we are in a situation where it is possible to change things but those changes require a number of different things to happen, one of which relates to properly equipping the frontline services in primary care, both GPs and nurses, with the necessary training, with the necessary ability to get past some of these real difficulties in confronting what is quite an embarrassing and difficult problem, both for some professionals and for the patient, and then using the appropriate techniques and tools which are available and demonstrably effective and using them properly. We are talking here about both a system change and a range of other changes which are perfectly possible, but, in the words I think I used at the beginning, it is getting the National Health Service and, more broadly, society to own the problem. We all have a responsibility to do something here and that is not the way we were thinking about this issue 25 years ago.

Q147 Sandra Gidley: I have never put GPs into the shy and retiring violet category, I have to admit. They are not usually shy about discussing anything in my experience. I just wonder why there is no lobby on this from primary care.

Dr Cassidy: I am saying it and the Royal College would be saying it. I think if you ask most GPs they would say alcohol is an issue. But I would hark back to the fact that there is a bit of pessimism because it is so big, it is such a socially constructed issue that they think they cannot change it.
Dr Owens: I think there is something of a capsule of despair in primary care. Professor Drummond demonstrated that only 5.6% of patients requiring treatment ever access it, because it is just so scarce, not really available when patients need it, and of all the patients who access specialist treatment 36% self-refer. I think sometimes we are asking GPs to identify patients early on, we are asking GPs to identify more of the problematic, complex patients, but when they do there is very little available in terms of referral on.
Sandra Gidley: Thank you.

Q148 Dr Naysmith: Dr Cassidy, what kind of things do you find are helpful and what kinds of things have hindered you in implementing improvements in your own practice or in general for GPs? For instance, how well does the current GP contract enable you to provide more specialist alcohol services?
Dr Cassidy: My aspects of the new contract have been very positive, I have to say, to the general practice. It has improved morale. A lot of us have bigger teams, better premises. It has been a controversial change because of the big move to a more public health perspective, and that is something that is always debated within primary care: how much do we go on what the patient presents as opposed to public health? There is a clash and there is loads written about it and some people say it has been bad and others say it has been good, but I think it has been positive. I think there is a new direct enhanced service for alcohol for new patients. We are not doing everybody, but for new patients it is a dip in the water. I think that is a move in the right direction. It brings a little bit of money into practice which you can then spend on other attached practitioners or other practice nurse hours.

Q149 Dr Naysmith: In terms of things that hinder you? You have already mentioned that if services are not available then you are reluctant to refer people on because you just put them on the end of a long waiting list.
Dr Cassidy: Yes.

Q150 Dr Naysmith: That sort of thing.
Dr Cassidy: That is very high up, we have to keep beating the drum. We need to expand alcohol services for the more dependent. Technically for GPs there is this training issue, this issue that I think a lot of GPs do not know that a brief intervention is as effective as a smoking intervention. I am sure people do not know that. That is a training issue. There has been an issue of what materials, what literature to give to patients, and knowing exactly how to give it in a brief and effective way.

Q151 Dr Naysmith: Do you think if intervention for hazardous drinkers was to be included in the Quality Framework for GPs that it would provide an incentive?
Dr Cassidy: I know some of the organisations have suggested that. I think the key thing is for alcohol to be in the new contract somewhere. Should it be in the Quality Framework? Should it be an enhanced service? There is debate. The College suggest an enhanced service. I think, personally, that an enhanced service would be better, because you can define the training more and have different levels of intervention for different practices. Some practices would be very keen on alcohol intervention and may do work with dependent drinkers; other practices will not want to touch that but may just want to do a little bit of simple screening and brief intervention. But certainly have it in the new contract.

Q152 Dr Naysmith: I am intrigued by your answer to one of the previous questions and have to ask what is this one question that you can ask people in order to find out whether they have a problem or not? Can you give us a hint as to what it might be?
Dr Cassidy: Yes. It will split people in the Committee, I am sure, but it is: "How often do you have six or more standard units?" to a woman, or "Eight or more?" to a man. If somebody says, "I never do that" then they will probably not have an alcohol problem. If they answer, "Within the last three months" they may have a problem or may not.
Sandra Gidley: What about people who just drink a little bit every day? That stores up problems. There are those as well. Just the six leads to dangerous complacency from what we have heard from others.
Dr Naysmith: Sandra, I as asking Dr Cassidy.

Q153 Sandra Gidley: Yes, I know. I am just fascinated.
Dr Cassidy: There is lot of interest in whether that one question works.
Dr Naysmith: I can see there could be subtleties in answering that.

Q154 Dr Stoate: The real question, Dr Cassidy, is: "Do you drink more than your doctor?"
Dr Cassidy: I drink sensibly. I enjoy a good glass of wine. That is why it is such a fascinating subject—because alcohol is good, we enjoy alcohol. We are not anti-alcohol, like we are with cigarettes, but it is how much is too much. It is complex.

Q155 Chairman: Dr Cassidy, I cannot resist asking you this question. If I go back to my youth, which is a long, long time ago, decades now, before your time, one of the strongest bottled beers was Newcastle Brown Ale, and it used to be said that there was a special ward in Newcastle Hospital for people who drank Newcastle Brown Ale or who were victims of it. Was that a myth? I know it was before your time.
Dr Cassidy: Yes, it was before my time. It is still there, though

Q156 Chairman: Was it a myth?
Dr Cassidy: I am sure. It is probably a myth.
Chairman: We are going to move on to some questions about the role of specialist nurses now.

Q157 Sandra Gidley: Dr Owens, we understand that you helped set up a nurse-led alcohol service. It would be helpful if you could tell the Committee how the service operates and how effective it has been.
Dr Owens: The service was set up with some very clear aims. It was in response to recognition that our emergency department in our hospital had a lot of patients who were there as a direct consequence of drinking and we were not really doing anything about it. We were sticking plasters on them and sending them out. We decided that one of the first aims of the service would be to support the medical interventions and optimise the medical management of the patients while they were in hospital. Hopefully that would shorten the length of time the patients needed to be in hospital and mean that we could provide really robust care pathways for patients to enable them to leave hospital early, so we would follow the patients up. Essentially, it is about ensuring that when a patient comes to a hospital they get a timely response to their problem, that they get a treatment pathway that has real choice in it for them, and so they get a choice of treatment setting. They can come back to the hospital—which many patients prefer to do because of the anonymity that that gives them—or they can go to one of the clinics that we have in our GP practices within the primary care clinic. It is about ensuring that, no matter what the level of alcohol-related harm, we are able to individualise our treatment, intervention or management for that individual patient and manage them more effectively.

Q158 Sandra Gidley: Has it worked in practice in the way you hoped it would?
Dr Owens: It has worked extremely well. We have done a full audit of the effectiveness of the treatment. We have then done a cohort study. We compared the interventions that have been now in place for about seven years from the Royal Liverpool Hospital and across Liverpool Primary Care Trust with a neighbouring trust where there were not interventions, and we got some very positive and significant results from that at six-month follow up. So there is a limitation—in that it is very short—and we are about to conduct a randomised control trial to further test.

Q159 Sandra Gidley: The bottom line in the NHS is that it always comes down to money.
Dr Owens: Cost.

Q160 Sandra Gidley: Yes, cost. Are you able to demonstrate whether the service has been cost-effective?
Dr Owens: I am a bit reluctant with Christine sitting over there! If you take a very simple analysis and say that an average length of stay in hospital for somebody who has become sick, because they drink and then require management of the withdrawal, is about seven days, and with intervention from an alcohol specialist nurse that goes down to two days, then that is highly cost-effective.

Q161 Sandra Gidley: So you save those bed days.
Dr Owens: Yes.

Q162 Sandra Gidley: Did you encounter any barriers in setting the service up?
Dr Owens: In terms of setting the service up, there were very few barriers in terms of the structures. In terms of attitudes—and I think this is the same for doctors, nurses, dare I say MPs—there is major ambivalence around drinking, so almost everybody acknowledges that drink is harmful, and almost everybody can see why drink is not harmful to them. That was one of the barriers I think you alluded to when you said, "Is that a barrier for GPs because of their drinking?" One of the barriers was this notion of hypocrisy: that I cannot ask patients what they drink based on an audit score because my score is higher. It was about a lot of training in leadership, to say that your responsibility as a healthcare professional is to give the best advice based on that individual's problem and it is almost irrelevant what you drink or what your lifestyle might be at this point. That was the first way we started getting the staff engaged. We never got to the situation where accident and emergency staff did any formal screening, so we asked them to use their professional judgment, and if they felt that an admission or an attendance was alcohol related to do a referral. And they did, and they have been really supportive. Across the hospital it seems like an almost never-ending task, in that we do eight days training every single month, we have been doing it since 1997, and we are nowhere near up to the 20% of the hospital workforce that we hope to train because there is a lot of movement of different staff.

Q163 Sandra Gidley: You have evidence of better outcomes, you have evidence of cost-effectiveness, so how much has this been copied around the country?
Dr Owens: Extensively. I think in the development of the role of an alcohol specialist nurse there is a bit of an issue around nomenclature, whether they are a healthworker, whether they are a nurse. Clearly I advocate for nurses and having a very clear competency framework in which those nurses operate, but there are adaptations of how you respond to alcohol-related attendances in emergency departments and across acute trusts across the country. Currently, there are about 140 individuals with the title of "Alcohol Healthworker" or "Alcohol Specialist Nurse." What we do not know is whether their roles are well defined and exactly what they do and what the aims of their services are and their thinking. If that was more standardised in terms of responses within different clinical settings that would be helpful.

Q164 Stephen Hesford: Coming back to the issue of cost, you told us about the cost-effectiveness but I do not think you are anywhere near the cost of setting it up and running it. Do you have any figures about that?
Dr Owens: We have what it costs to employ a nurse and we have workforce development, in terms of how many nurses you would need in any given setting, how many nurses you would need if you want to ensure that you cross the boundaries of acute care and primary care. All nurses are on Agenda for Change scales. This is where I was saying it is really important to identify what the competencies and skills are, matched to the aims of your service, because that will determine the cost.

Q165 Stephen Hesford: Do you have a budget? When you are the lead nurse, you have your team.
Dr Owens: Yes. Certainly that goes through a procurement process.

Q166 Stephen Hesford: What is your budget? How do you know what you have?
Dr Owens: You know what you have by your business case for how many nurses you need, what hours they can work, and what outcomes you would achieve from that level of intervention. For example, one of the things that our A&E consultants keep asking for is for us to extend the hours of the service, and we have recently done that to include Saturdays, because were a 9.00 to 5.00 service, but it is not easy to persuade commissioners that that is something that we should do. What added benefit you get for each extension of your service into another day, we do not yet know.

Q167 Stephen Hesford: Coming back to rolling out your current programme across the country—and it is comforting to know that it is being picked up—what is the importance of local champions, someone like yourself, someone with knowledge and enthusiasm, as a catalyst for making that happen?
Dr Owens: Absolutely crucial. I think the danger is that when something becomes very high on an agenda you end up with almost too many champions, and I think we need to streamline. I think champions are really, really important, but very often that is done through individual virtuosity, it is just because somebody cares, and it is not structured and planned into the workforce.

Q168 Stephen Hesford: It has to be more rational than that.
Dr Owens: Yes, because if that person leaves, then everything goes with them. I think it has to be something that is planned for the workforce. For example, if an ED consultant is going to be champion for alcohol, then we have to make sure he has two sessions a week to do that and that is backfilled; otherwise, as Paul was saying, it just becomes yet another part of something that you do.

Q169 Stephen Hesford: If you were designing a model classically, who would that champion be?
Dr Owens: Personally, I am going to go for nurses—and shock you all. I think it has to be part of the designed role in terms of leadership. I think leadership is really, really important. I think that that leadership has to be there for the whole workforce. It has to cross professional boundaries as well as setting them. That is why I think there has to be a designated role, as opposed to somebody who is just passionate about the subject, who is very limited in terms of the boundaries they can cross simply because they are time limited, they have lots of other things to do.

Q170 Dr Taylor: Following up on that, I quite accept that you feel that a nurse has to be the leader. In the community, lots of the work is done in the voluntary sector. Alcohol Concern in their written evidence to us call these people Alcohol Health Liaison Workers and they go so far as to say that every hospital ward and A&E department should have access to an Alcohol Health Liaison Worker. Would you accept that those could be perfectly effective if they were not nurses but led by a nurse like yourself?
Dr Owens: It depends what you want them to do. If you want them to reduce length of stay, they have to prescribe for the patients, therefore they have to be quite a senior nurse. Patients may be in alcohol withdrawal, needing a prescription with the primary care, then the nurse needs to prescribe and take on the responsibility for that care.

Q171 Dr Taylor: You as a nurse consultant would be prescribing the drugs to help with alcohol withdrawal.
Dr Owens: Certainly.

Q172 Dr Taylor: And the Antabuse to stop them getting back on.
Dr Owens: We do not prescribe Antabuse, but, yes, that could be the case. It is very much about the aims of the worker. It is the case that within an acute hospital setting people are very sick, so one of the benefits of having nurses is that they can also manage that medical co-morbidity and improve their health and wellbeing. If it is just about alcohol, then healthworkers would be fine. It depends how you design your model and what you want to get out of it.

Q173 Dr Taylor: Would it be theoretically possible to have a nurse trained in your sort of way on each medical ward that takes these sorts of patients throughout the country?
Dr Owens: I think we have to make sure we make the best use of the workforce and certainly with good clinical leadership and education, nurses do, across acute hospital trusts, manage these patients all the time, but they do it with advice and support from a specialist nurse certainly—or that is current the model within our trust.

Q174 Dr Taylor: You would accept that there is a place for these Alcohol Health Liaison Workers in hospitals as well as the nurses?

Dr Owens: So long as their roles and responsibilities are well defined and we are very clear about their competency and what we are asking them to do.

Q175 Mr Scott: A question for Dr Cassidy and Dr Owens. You said earlier that there is a stigmatisation and perhaps discrimination. To what extent do healthcare professionals view that this is self-inflicted harm; how does that affect the treatment given and the staff reaction to people coming in who, as we have said, have self-inflicted themselves with too much alcohol? Or maybe you think it does not make any difference.
Dr Cassidy: I think you have to acknowledge those feelings and bad practice would be for it to affect you adversely. But when moral issues enter the clinical encounter you do need help in training to explore those and to think about the ethics of what you are doing; and then you need champions like Lynn and people to set a culture in the practice in the hospital. But that is something to battle against because you do come across colleagues who will write people off and write alcohol off.

Q176 Mr Scott: And will not necessarily accept that it is not self-inflicted; it is a problem that someone has?
Dr Cassidy: Yes, and that is what they have chosen and it is a moral problem and why should medicine be involved. It is what makes it so interesting as well and why we need everyone involved in the public health approach.
Dr Owens: I think that that certainly is a feature for some people but we have a responsibility to treat all our patients with dignity and that would be the same for someone who is in hospital because they are obese or smoking; so we think it is something that the healthcare professionals are really used to, and it is a training and support issue and it is about within the hearts and minds of the workforce to make them feel valuable because historically it was the cases that nurses and doctors felt that when a patient came in with a complex alcohol problem that that was the end of the road for them, that there was nothing that could be done. Just with quite minimal training, some really good support and leadership we can quite easily convince this workforce that this is an opportunity to start a process of care and treatment that can be highly effective and make the clinicians feel good about the interventions that they can deliver to make a difference to that person's life and if you do that I think you have won the argument, essentially.

Q177 Charlotte Atkins: We are now at the final question and I would like to ask each of you what are the three things you think that the NHS can do, the best interventions to reduce alcohol-related problems. So really what are your prized three areas that you think we should be focusing on to kick this problem out of our society?
Dr Cassidy: More alcohol health workers.

Q178 Charlotte Atkins: At primary care level or secondary?
Dr Cassidy: Across primary and secondary care. More screening intervention in primary care; encouraged through the GP contract and more joined-up government work in the areas of licensing, labelling and taxation.
Professor Kelly: I think my key argument is that we need to see this as a population based problem; that is to say if the NHS focus is only on the far end of the spectrum where the alcohol problems have turned into florid disease, important as that is that is actually missing a significant proportion of where the morbidity has been built up over time. In other words, alcohol use, given it is such commonplace in society, the effort is about reducing overall alcohol consumption in the population as a whole. The National Health Service, and in particular primary care, can play a very important role in that in the ways that we have heard here, but as well as dealing with the extreme end of the spectrum dealing with ordinary patients coming in and testing the "stop and think moment" with them—even if it is with that one question that lets you know one way or the other. I think that should be encouraged. But on its own that is insufficient; we need a national strategy, which is about bringing down the overall levels of alcohol consumption in the population as a whole, especially, I might say, among people who consider themselves to be sensible drinkers because that is where the problems begin to build.
Dr Owens: I think price promotions and city centres are really, really crucial because they impact on the whole healthcare system; and I will go for every acute trust needs a clinical leader that is able to bridge those primary, secondary gaps and help patients navigate this system because one of the things that stops patients getting well and doing well in treatment is often that the services are not set up in response to their need—they are set up historically. So I think a clinical lead who can help patients navigate systems in and out as and when they need it would be crucial.

Q179 Sandra Gidley: And more nurse specialists as well?
Dr Owens: Yes!
Chairman: Could I thank all three of you very much indeed for coming along and helping us with this inquiry this morning.

Witnesses: **Professor Robin Touquet**, Accident and Emergency Consultant, St. Mary's Hospital London, **Ms Carole Binns**, Commissioner, Southampton PCT, **Mr Brian Hayes**, Alcohol Bus Service, London Ambulance Service and **Dr Duncan Raistrick**, Alcohol Treatment Specialist, Leeds Addiction Unit, gave evidence.

Q180 Chairman: Good morning and welcome to our second evidence session in our inquiry into alcohol. Could I ask you for the record if you could give us your name and the current position that you hold. Can I start with you, Professor Touquet?
Professor Touquet: Robin Touquet; I have been a consultant in emergency medicine at St Mary's Hospital Paddington for 23 years and that is where the Paddington Alcohol Test was born in 1996.
Dr Raistrick: I am Duncan Raistrick; I am a consultant addiction psychiatrist at Leeds Addiction Unit, which is a clinical and a national training centre.
Ms Binns: I am Carole Binns; I am Commissioning Service Manager for Mental Health and Substance Misuse with Southampton City Council in Southampton PCT and my background is that I am a qualified social worker.
Mr Hayes: Brian Hayes, paramedic team leader. We started the Booze Bus in London five years ago and currently oversee the alcohol stuff that we deal with in Westminster and the local areas.

Q181 Chairman: Thank you and welcome. I have a question to all of you to start with and then we will have specific questions around your particular expertise. My first question is what in your experience does the National Health Service do well and badly in managing alcohol-related problems?
Mr Hayes: I think we highlight the problems quite well but the position that we are in, because we get people at the point that the phone call has been made and then we release that patient once we at hospital, for us doing anything else—we do not get patients long term. We will get regular callers and we will be able to highlight patients that could have a problem but because we get patients for about half an hour at the most what we do quite well, I think, is highlight the problems that we are beginning to face as a service.
Ms Binns: I think we are very good at dealing with people with chronic and long term problems around alcohol misuse, so we provide very good services when people reach a critical stage, particularly around A&E emergencies and around liver disease—it is not because our liver consultant is in the room! I think what we are not very good at is actually seeing alcohol issues as everybody's problem in the NHS and in social care services, so responsibility for alcohol provision and treatment and for commissioning alcohol services tends to be placed with specialists, with commissioners like myself or with specialist treatment personnel or teams and we do not look at the impact across key disease groups like cardiovascular, cancers, mental health issues, so the approach is not very integrated yet the impact is across a whole wide proportion of the population.
Dr Raistrick: We are very good at dealing with people who have developed disease or come into A&E departments but that is somewhat divorced then from dealing with the substance misuse problems, particularly alcohol in this case. I think where there are specialist alcohol services then they are generally quite sophisticated and quite effective, so I think we are good in so far as we do deal with the alcohol problems in the specialist areas.
Professor Touquet: I will not agree with that entirely. The medical profession loves pathology; they find that very interesting. They are less interested in picking up self destructive behaviour early on and helping patients to develop insight. Unfortunately the NHS is quite structured with substance misuse, including alcohol being part of substance misuse services within psychiatry, and psychiatric services are in separate trusts from acute hospitals; so doctors tend to feel that alcohol and drug abuse is part of psychiatry. Even worse, they will feel that early intervention—and Sir Graeme Catto of the GMC has said—that all healthcare workers had a duty of care to reduce unscheduled re-attendance. But there is a tendency—and it is a fault of medical education—that that is seen as public health, which is separate from day to day jobbing work in primary care or A&E and clearly we are at the sharp end and we have the opportunity of picking up self destructive behaviour early on, and we are bad at that.
Chairman: We have some personal questions for individuals now.

Q182 Dr Naysmith: Dr Raistrick, I have a few questions for you. To what extent have alcohol-related problems changed over the past 30 years?
Dr Raistrick: It is difficult to say that they have changed in character; I think they have probably changed in quantity and there are probably plenty of statistics you have already had to show that. If we look over recent years it is easy to look at health problems—there are plenty of statistics—and we can see that the admissions for all kinds of alcohol-related problems have steadily increased, so we are looking in the last 10 years at something like a tripling of admissions for cirrhosis and a doubling of admissions for mental and behavioural problems. So I think that had been the trend and just an increase in quantity rather than type.

Q183 Dr Naysmith: Interestingly there have been these increases, increases that have not occurred in some other European countries; why do you think they have occurred here?
Dr Raistrick: I think there has been a change of culture as well in recent times, so there has been a shift—as mentioned by the previous panel—there was a culture of drinking to get drunk and that has always been seen as something of a northern European sort of culture. I think that has exaggerated in the last few years, perhaps partly because it has been policy to make alcohol more available in this country. So there has been a shift towards drinking to get drunk but on limited occasions. It is difficult to get statistics on that; it is difficult to really get much of a handle on that. I am

not really aware of any data that is currently available that really gives much of an idea of the extent to which intoxication causes crime, causes accidents, the usual things that we associate with intoxication.

Q184 Dr Naysmith: The sections of the population where the increases have been greatest are in young people and in people over 65, in the last four or five years particularly. Is that your experience too and why do you think that is?
Dr Raistrick: It is and I think that has been the shift. Interestingly I was coming back from York to Leeds the other day and there were three girls, I think from the North East, going to a birthday party in Leeds—lucky Leeds! They had three bottles of champagne which they consumed and as we approached Leeds they got out a bottle of vodka—this was about half four in the afternoon, before they went out to have a good time. So goodness knows what state they were going to be in by the time they hit the clubs in Leeds. But that is a change in culture—that did not used to happen.

Q185 Dr Naysmith: Do you think this is going to continue into the next few years? In the next 10 years do you see these trends continuing?
Dr Raistrick: I do not think so because I think probably people like yourselves are going to take some action. It is difficult to escape that if we as a country drink more we are going to have more problems and I think that something has to be done at that population level. There have already been suggestions—the obvious things to look at is price but also the availability of drink in terms of the number of outlets, opening hours and so on, as well as possibly specific measures. For example, I am always surprised when I go to the airport that at 9 am people are busy sinking pints of beer and allowed to be intoxicated on aeroplanes—not the pilots, by the way!

Q186 Dr Naysmith: Finally, how about the alcohol rate of admissions that have increased in the over 65s in the last few years? Is that just because of increased affluence among some sections of the pensioner population?
Dr Raistrick: I do not know why it is but I would speculate that that is the case. Often people are retiring somewhat younger and anticipating and enjoying their retirement and they have the financial means to do that and I guess that that includes drinking. But of course there are particular problems for older people as well, which may well lead them into drinking—various losses and so on.

Q187 Dr Stoate: I want to look at government strategy over the last few years, particularly the 2004 National Alcohol Strategy and the follow-up Safe, Sensible and Social. I want to look at how effective they have been in helping with reducing alcohol-related problems. Do you have any views on that? I will start with Professor Touquet and then move on to you, Dr Raistrick.
Professor Touquet: I am a jobbing A&E consultant and I do not have the overall perspective that my colleague in public health has. I certainly think that the Department of Health has done a lot of very good work, working up to PSA25 and that they are very much aware and are trying to help the process of all healthcare workers understanding the difference between brief advice, which is one to two minutes—the duty of all of us—and brief intervention, which is a specific skill which I do not have but which Lynn Owens of PhD nurse background does have and has demonstrated that leadership to you. I think that the downside—and I have responded to the Safe, Sensible and Social—the three Ss—document and much that is good in it. But there does need to be a culture change within medical education and I understand that £100,000 has been set aside to improve the amount of medical education in undergraduate education that is furthered on one hand by the Medical Council on Alcohol, the MCA, and on the other hand by Professor Hamid Ghodse with his group at St. George's Hospital, who I think are going to be the beneficiaries of that money and to make sure that it is spent articulately. So the answer is in summary to your question, successful in part but the medical profession is perhaps the most reluctant to change its attitudes.

Q188 Dr Stoate: Dr Raistrick, what do you think about this?
Dr Raistrick: I would agree with that. We conducted a survey of staff in secondary care NHS facilities who were particularly likely to come into contact with substance users and it is interesting that there was an inverse relationship between the seniority of staff and their commitment, their enthusiasm for dealing with substance misuse problems; so in other words the junior healthcare assistants saw themselves as both willing and effective at working with people who had alcohol problems, whereas the medical staff were "not my business" and very resistant to dealing with it. Nursing staff were somewhat intermediate. So there is a need for some training and, as several people have said, a wholesale change of thinking in the NHS so that everybody sees drinking and other substance misuse—smoking, drugs—as everybody's business because it is at the early stages where brief interventions are going to be effective, and I think it is entirely possible to train the entire workforce to be competent at some form of brief intervention or, at the very least, identification.

Q189 Dr Stoate: I appreciate all that and there is nothing wrong with that answer. What I am trying to get at is how helpful has the government been in terms of strategies and initiatives to try and help this process along and what does the government now need to do to improve the situation?
Dr Raistrick: I do not think that the government strategy has been terribly helpful really. I think it was helpful to have a national alcohol strategy; it is a pity that it was called Harm Reduction Strategy because

that rather reduced the impact, and I think publications since have actually not been very helpful.

Q190 Dr Stoate: Carole, do you have any view about that? Do you think that the government strategy has been helpful in any way?
Ms Binns: I think the national strategies have been helpful; they have provided a framework, particularly for commissioners. There has been a great deal of helpful information about evidence-based interventions, which has helped certainly to raise the profile around prevention and early intervention where I think in the past we have actually been focused on treating people at the higher end, and I think it has started to shift the debate as to whether we should focus on those earlier stages. I think unfortunately again the strategies have been seen as being owned by specialist commissioners, like myself, and specialist providers and I do not think the information in the various documents has been widely disseminated across other parts of the NHS.

Q191 Dr Taylor: To Professor Touquet really. I regret I have only just seen your PAT revision paper which makes it absolutely clear at the top of page 3 about the brief advice that any ED doctor should be able to give, so that is extremely helpful. My questions are about alcohol-related harm and to give us some sort of idea of what sorts of alcohol-related problems you commonly encounter in the A&E department.
Professor Touquet: Thank you. Let me say that when I started at St. Mary's in 1986 I had no particular interest in alcohol misuse and if it is helpful to the Committee I would like to give a historical perspective. When I arrived the only service for alcohol misusing patients was an appointment with a consultant psychiatrist at St Bernard's Hospital, which is the far side of Ealing, which is 12 and a half miles from Mary's and the waiting time for an appointment was six weeks, and a very senior colleague, when I was trying to drum up support to make the case to get resource in to help patients who were sick and who would come in, collapse into A&E, etcetera, he said to me, "Robin, be a man, it is just part of your work." I said, "Yes, it is part of my work—drunks are sick; and I am a man because I am ex-Royal Marines and I do not like being patronised." Since that time we have published about 15 peer review papers because nothing is worse to an NHS manager, who is under awful pressures and can lose their job if they do not conform, than an emotional consultant saying, "We have to have this resource or patients will die!" You have to give objective, cold, hard clinical evidence. So in answer to your question, the Paddington Alcohol Test, which was evolved from the frontline highlights that the top 10 presentations—and we published on that—will come to no surprise to you—collapse, head injury, assault, accident are the top five, and doctors are the worst at asking patients who have been assaulted because they feel sorry for them. And if I could just come back to that. Then the next five being unwell. A&E quite legitimately is a place of safety; patients come when they are distressed and I would far prefer a distressed patient coming into A&E before they have done something to themselves than to be brought in as a multiple injury having jumped under a tube and you have to say that again and again and again to staff: "We are a place of safety", and you have to be very careful of triaging patients who may not be able to articulate their problems well. Gastrointestinal, cardiac, psychiatric and repeat attending. But with a patient who has been assaulted, if they are seen quickly—and I have spoken out publicly saying that the 98% target through in four hours is a very good thing. After all, if you are going home and you are in an A&E department and something awful has happened and you have fallen over and broken your wrists you want sympathy, you want humanity, you want to be given pain relief, you want to be seen by somebody who knows what they are at; then, hopefully, if that happens you will feel grateful and then the healthcare professional, be it nurse or doctor can introduce their own agenda when the patient is saying thank you, which one hope one does. In the NHS you do not get paid for how many patients you see but it is very nice being thanked, and I have been in medicine 44 years. Then you can introduce your own agenda by saying—and we routinely ask all patients, going back to your point about assault—who have been assaulted, "Do you drink alcohol?" and if you approach that rear-ended, having generated gratitude then I think the NHS has a huge amount to offer, be it the A&E department; Jonathan Shepherd has done wonderful work for facial maxillary surgery on assault patients; fracture clinics; sexually transmitted disease patients; and may I just introduce at the bottom of the pack about the resuscitation room, which shows that 15% of patients over one year had a raised blood alcohol concentration and the top five conditions associated with a raised blood alcohol concentration in the resuscitation room—collapse, self-harm, trauma, gastrointestinal bleeding and non-cardiac chest pain. I have to say with all due humility that two doctors at St. Mary's have rung the chemical pathology lab to say, "What is the normal range for a blood alcohol concentration?" I would like to reassure the Committee that the normal range is zero!

Q192 Dr Taylor: Thank you very much, it is a great relief to hear that things have improved in 20 years in accessibility of health. Recently we have been on a visit to New Zealand and we were told that Friday night there was worst. Is Friday night worst here for you and is the culture here to go out and get drunk on a Friday night when you have your pay?
Professor Touquet: Dr Raistrick has already highlighted that there has been a change of culture. When we were medical students at Westminster Hospital Medical School you went out to have a good time. I do not think that people 20, 30 years ago went out to get drunk *per se*. We have heard the description of the three young women who had champagne and then, lo and behold, produced the

vodka, and there is a lack of insight that alcohol is a drug. It is an enjoyable social lubricant and I have a little cellar at home and I like old clarets and I am very grateful if the occasional NHS patient gives me one! But there is a lack of insight that alcohol is a drug. The first effect of alcohol is to reduce inhibitions and I say to people that you were so vividly describing in A&E, adolescents in A&E, "Why make yourself vulnerable?" and I find that that is something that does go home to them. Yes, Friday night is much more busy, as is Saturday night, and that has been shown by Colin Drummond's work that was referred to in the earlier session, that 30% of patients had been drinking before they come into A&E and that rises to 70% on a Saturday night.

Q193 Dr Taylor: So it is 30% to 70%. Do you see many people who have been harmed by people who were drunk? They are not drunk themselves; any percentages for that?
Professor Touquet: Yes, I have a slide of somebody who tried to break up a fight at the Dorchester Hotel. He was entirely sober but when people have been drinking their inhibitions are suppressed—if they feel like crying they cry, if they feel like punching they punch and he was entirely sober but he came in with his white shirt with blood down it and a split lip and he was very, very affronted.

Q194 Dr Taylor: Is this a relatively common occurrence that perfectly normal people who are not drunk have been damaged by drunk people?
Professor Touquet: Yes, in every sort of situation. For instance, in the inner city it is often the drunk pedestrian who is hit by the sober driver and the sober driver may be more upset than the drunk pedestrian. Also, if you are in your A&E department, hopefully not waiting too long, you do not want to sit next to an over familiar person who is obviously inebriated and A&E departments are a place of safety and we have security in the A&E department at night all the time now at Mary's because patients have to feel secure and unthreatened within that environment.

Q195 Dr Taylor: And it really is possible in this pretty chaotic environment to give this one to two minute brief advice?
Professor Touquet: We have shown in the largest randomised control trial, which his pragmatic, where the brief advice has been given by routine staff that for every two patients who accept an appointment with the alcohol nurse specialist for definitive brief intervention there is one less re-attendance over a 12-month period and you do not get papers published in *The Lancet* without very heavy peer review. Albeit I am extremely grateful for Imperial College making me a professor I have come up through the ranks, as it were, and the sharp end, and that paper is *Crawford et al*, which is the third one on the Paddington Alcohol Test. This paper was published because the PAT is an evolving clinical tool which is also educative because you do have to get the medical profession to alter their own attitudes towards alcohol misuse because it is a legal drug, as opposed to drug abuse which is illegal.

Q196 Chairman: If anybody goes into A&E who is a victim of a car accident there is a payment made to the National Health Service, is there not? Does it still happen? It used to be on an individual basis but do insurance companies do it now?
Professor Touquet: I believe it does, but as a jobbing clinician who has held no managerial responsibility now for seven years I am not best qualified to answer that.

Q197 Chairman: I think that is the case but it is all hidden now through insurance companies. I want to take you down a path that you may be reluctant to go down, but I want to pursue this anyway. I am not talking about people who have chronic problems with alcohol, but this is about behaviour, particularly on the Friday and Saturday nights that you have graphically described, that people will go out drinking and drink to irresponsible levels and become in need of your services in your hospital, in A&E. Because of this personal responsibility do you think, given the amount of time and money they consume from us as taxpayers, for being irresponsible, that any charge—not dissimilar to one for a car accident—should be made by the NHS for treating these people? I am not saying do not treat them—obviously your instinct would be to do exactly that, but should they be charged? Do you think that if there was a possibility that there may be a charge for using A&E facilities particularly because they have been a bit stupid that it may change their order in terms of priorities when they go out at night and they may not drink as much? I know there is a lot in that but I just wanted your view on it.
Professor Touquet: I understand your question exactly. I have had the privilege of being in medicine for 44 years and I have always worked within the NHS and I think one of the many very good things within the National Health Service is that the threshold for seeking help should be very low and not related to the person's ability to pay. The simple answer to your question is no because there will then be a reluctance of people to seek help early on and the thrust—and I hope the message, which when I was sitting as an observer, has been to you—that if you can intervene early on with young people to get them to contemplate change before they become dependent, that is very much better than trying to treat all the interesting pathology that the dependent drinker will have. The risk of charging is that the NHS will become less effective at picking people up earlier. Our friends in the Ambulance Service do have the most awful job of trying to decide whether to take patients to A&E, whether to manage them on the spot and I think they do a wonderful job under very difficult circumstances. But charging patients would be self-defeating and certainly people like myself would, I think, find it very difficult within the way we have been brought up within the NHS.

Q198 Chairman: Presumably you would argue that one of the ways to reduce consumption of alcohol is to put up the price of it?
Professor Touquet: I say very humbly that I am a jobbing A&E consultant and even though I enjoy drinking alcohol myself—it is an enjoyable social lubricant—there is no doubt that A&E is a place of safety, sees the consequence of the fact that alcohol has, *pro rata*, got cheaper; and that the availability, especially in supermarkets, goes round the clock and the perniciousness is that young people feel, "No government would give 24-hour availability at cheap prices if alcohol was dangerous; after all, they would not do that for heroin or cocaine. They do it for alcohol; alcohol must be safe." We all know that alcohol is enjoyable and art of our culture and part of Church of England and Roman Catholic rituals—not Muslim rituals—but it sends a wrong message to the young that alcohol must be safe; and alcohol is not safe. That is why I say to the young people, "Why make yourself vulnerable?"

Q199 Chairman: I accept that entirely; it is the issue about how do you change lifestyles? Brian, obviously your members have this problem most nights, not just Friday and Saturday nights?
Mr Hayes: Every night of the week, yes.

Q200 Chairman: Do you think there is anything that can be done at the front door that would not stop people being looked after?
Mr Hayes: There is no way that we would refuse anybody help. Where we have a problem, I think there is a massive void between us picking these patients up, them going to A&E to be treated and then the following up of the patients from there. I think we are in a really good position where we get to these patients—it could be the first time they have got into this stage. I was listening to the one before and they were saying, "Have you drunk six units before?" We are lucky if we can get anybody that can answer that question, let alone know their name. The problem that we are getting is the assaults on staff, the assaults that happen because people have been drinking alcohol. The question I ask myself with a lot of them is, "Right, if this person had not got drunk tonight would they have been beaten up, or would they have tripped over on their high heels?" The answer is not that it would not have happened; so it is not just the people that we are going to who are comatose through alcohol, it is the injuries that happen. You are talking about split lips and so on; we are talking about people that because of alcohol have jumped up on a wall because they think it is a bravado thing to do with their mates, not realising that the drop the other side is 60 feet and they have gone down it. Their one massive night out has ended up with a family with someone who is deceased; and that is not an occurrence that happens every so often—this is every weekend that this is happening, whether they die or not. We have had to get our helicopter out on six occasions in the last three years to people where the call has come in as unconscious and where the person has been asked on the phone have they been drinking—yes, they were drunk, but when we have got there the injuries we have been faced with have been so horrific, due to a bus driver who had kicked somebody off his bus and his head had been used as a football by about five or six blokes who were all drunk, and he ended up in intensive care. This is happening week in, week out; it does not have to be a Friday or a Saturday. But what we are finding is that most of the males we are going to will initially be for the injuries they have received—minor head injuries and things like that, assaults. But when we go to the younger females and females in general it is purely the alcohol we are going for, to the point where they are not waking up where they are in A&E four or five hours later. We went to one young female who was found staggering down a road in south-east London, completely out of it on alcohol. When we got her into the ambulance we went to remove her jacket to take her blood pressure and she had nothing on underneath, and did not have a clue what had happened to her. When she got tested at St. Thomas' that night there was no evidence of any date rape drugs or anything like that, it was purely alcohol. So it is a massive spectrum we are dealing with and the stuff that goes on in and around the alcohol as well. What we would like to do is to have somewhere in the West End of London where we would deal with these people, in addition either with consultants or alcohol help groups like Drink Aware and groups like that, where we can do the intervention—not a brief, two or three minute questionnaire where we have to hurry up and we have to get people in because of four-hour targets—where they can be handed over to people and the process can be taken from there and they can be given help before they end up being long-term stay in hospital through cirrhosis or other medical problems.

Q201 Charlotte Atkins: Professor Touquet, you mentioned in your previous intervention about the importance of early intervention. What sort of early intervention would you see as being practical and effective?
Professor Touquet: Thank you. I am glad you used the term "early intervention" because I do try and encourage people not to use the "s" word, which is screening, because that excites a very negative reaction amongst the medical profession—less so with the nursing profession. But I do believe that people who work in the acute sector—and obviously I am a prisoner of my own work environment, that all of our junior doctors who change with us every six months, albeit it nationally, in a majority now of A&E departments, sadly the junior doctors change every four months. You need to change their attitudes; you need them to understand that alcohol is a drug. They need to understand that something can be done. We are extremely grateful to Westminster PCT because we now have two alcohol nurse specialists and they are the stress relievers for the staff in A&E and you need the junior doctors especially to understand that there is something that they can do, and by back-ended, when you have hopefully generated the gratitude factor of saying to a patient, "We routinely ask everyone who has

fallen, 'Do you drink alcohol?'" then that is an unthreatening way of putting the question and you then have question 4 on the PAT, "Do you feel your attendance at A&E is related to alcohol?" If they say, "No, doc," and you get the full force of a bottle of Bell's you say, "Look, if you had not been drinking would you be in A&E?" A more neglected area is the resuscitation room, if I could highlight that again, but I obviously believe that every acute trust—and there were about 194 at the last count, depending on how you define A&E departments, and many have amalgamated and Dr Taylor will be able to tell you more about that than myself—every hospital should have a clinical lead. It can be a nurse—and you have seen that within Dr Owens. Within my job plan—I do not get paid anything extra for being the alcohol lead at Mary's—the hospital recognises my role by giving me a four-hour allocation of time for making alcohol misuse high profile within the hospital and highlighting a role of alcohol nurse specialist so that early intervention can be given; also, that blood alcohol concentrations are sent from patients in the resuscitation room. You can imagine that if you are brought in by blue light ambulance to the resuscitation room even if you have a normal Glasgow coma score—and a large percentage will not—you will not want to be asked questions about alcohol within the resuscitation room because it is airway breathing, circulation and stabilising the patient's vital signs. But it is very revealing what blood alcohol concentrations are and it was one of our Lithuanian patients who had a blood alcohol concentration of 690 mgs per 100 ml. The majority of people in this room would probably stop breathing at about a level of 450, remembering that the current legal limit for driving in this country is 80 and the Alcohol Health Alliance has made the case that really we should be like the rest of Europe and it should be 50. Again, it is culture because the blood alcohol concentration results coming back bring home to the medical staff especially that alcohol is a drug. Like you ask for a salicylate level, paracetamol level, you have a blood alcohol concentration level. So every hospital should have a consultant lead; every hospital should have at least one alcohol nurse specialist and every hospital should have the facility for doing blood alcohol concentrations within the hour. Sadly, only half of our acute trusts have any facility for doing blood alcohol concentrations and there was St. Mary's, the great London Teaching Hospital, when I started we had to send bloods off to Guy's poison centre to get a blood alcohol concentration. So I hope I have answered your question.

Q202 Charlotte Atkins: You have. What do you think primary care should be doing? You see them at a stage not too late but at a stage where they are already hooked on alcohol to a very bad extent, but what should primary care be doing alongside acute hospitals along the line of prevention?

Professor Touquet: Could I answer that in two parts? First of all, we in A&E will see a lot of young people who do not necessarily make use of their GP and we will see often the first manifestations of alcohol misuse of fall, collapse, head injury, assault. In primary care I would agree with what has been said before. You have heard about the shortened audit questionnaire and I think it is on two levels. First of all, when patients register with the GP; then it is very appropriate that the word "screening" is used as a basic index, bearing in mind you have to get empathy with the patient so that they are not worried that the nurse will be judgmental if they give an all too honest answer. Secondly, when patients can see their GP with conditions such as lack of sleep, palpitations, alteration in bowel habit, unable to cope with life, that is a potential opportunity for opportunistic intervention with a teachable moment, and certainly alcohol can be one of the underlying causes which any GP should be alive to.

Dr Raistrick: Can I just comment on psychosocial interventions a bit more generally because I think it is really important to understand that we are talking about interventions that are fundamentally different to, for example, having a course of Tamiflu. The difference is that we are talking about a process of change and it is the way that the treatment is delivered and when it is delivered that matters as much as the particular treatment. We have a very good grasp of what are the effective ingredients of interventions for addiction problems. For example, what you are trying to do with a psychosocial intervention is either start that process of change going or, if it has already started, to move it along. So you are asking if there was one question what would you ask? It might be something like, "What do you mind most about your drinking?" because a question like that might resonate with where the person was already at. You would get very different answers. For example, two rather extreme cases I can think of, a musician in response to that question said he fell off the stage when he was drunk and that is what he minded most and that was the driver for him to change his behaviour. Another example I remember particularly was a mother who forgot to pick her child up from school because she was so drunk and that is what she minded most. More commonly it is things like relationships breaking down and so on. But the idea of the psychosocial intervention is to tune in to the concerns that the individual already has. To illustrate how the process happens, I can say it is pretty typical if you look at people coming to specialist services that somewhere around 20% will already have stopped drinking by the time they come to the service. That is not to say that they are better, but it is to say that they have already started that process of change themselves; so you are picking them up part way along the journey. The key to success is making lifestyle changes which is quite difficult to do and quite a long process. I think we should be making much more use of community resources to help people do that; we should be using self-help agencies much more; family support has already been mentioned. A treatment you might be familiar with that we looked at in the UK Alcohol Treatment Trial—the Social Behaviour and Network Therapy, which aimed to draw on the person's social network to support change. We talked about people who are dependent

which is another dimension really, so that the more dependent people are the more their life is entwined in drinking or use of other substances and the more difficult it is to make those lifestyle changes—that is really all that dependence adds to the equation.

Ms Binns: I just wanted to add something very briefly to what we can do around prevention and it was the fact that I think any prevention needs to start from the point that alcohol affects all sectors of the community, the whole population, and whereas acute hospitals and GPs are very important contact points lots of people are not coming into contact with those people regularly. Young people, for example, do not see their GPs very often and do not come into contact with any healthcare workers. So prevention needs to actually target a range of primary contact points and that would include schools, youth services, criminal justice, occupational health, major employers, and we need to widen the base to where we push out prevention messages and where we give out preventive services, rather than look at a small number of very targeted, very specialist areas.

Q203 Dr Naysmith: Dr Raistrick, you had really started on the sort of area that I want to explore, so we can it from some of the things you have already been saying. The question is how effective is the treatment for alcohol misuse in your experience—that means the Leeds Addiction Unit, I presume? Is it effective? Then I want you to compare it with what happens with drug treatment for other substance misuse. How does alcohol compare? Is it effective and how does it compare with the way that treatment is administered and is available for other substance misuse?

Dr Raistrick: The difficulty is that it depends what you mean by "effective".

Q204 Dr Naysmith: Does it work?

Dr Raistrick: Putting that aside for the moment, as a unit we have been rather fortunate, I guess, in that we have generally been involved in research projects to improve our practice and the UK Alcohol Treatment Trial was a good example of that; so within the UK Alcohol Treatment Trial we were delivering something like 40% of people were becoming abstinent and others showing reductions in drinking. That would be fairly typical for our patient group as a whole. If we look at both heroin users and alcohol users we get something like 50% will show significant improvement and that would be a statistically significant improvement. If you apply more stringent tests and look at what is clinically significant improvement then that drops down to something a bit more like 30%, but that is a pretty harsh test and there is a range of improvement which you might consider good enough improvement, so it depends a bit on what you mean by improvement; and it also depends on what areas you are looking at improvement.[1]

[1] Note by witness: Usually domains of substance misuse, dependence, psychological and social well being.

Q205 Dr Naysmith: Presumably you cannot do control trials and leave people untreated can you, or can you look at a population of untreated people that have never been offered it and see what proportion of them improve just automatically?

Dr Raistrick: I do not think you can any more actually. This was one of the ethical considerations we had when we looked at the UK Alcohol Treatment Trial and we came to the conclusion that you could not have the no treatment control group; although methodologically it is always a bit unsatisfactory to have a group where you are not doing anything and in UKATT we had two interventions that everybody was very enthusiastic about—there was a brief motivational therapy and a slightly more intensive social networking therapy. So we took the view that the ethical approach was to say that there is a gold standard treatment here, namely the motivational treatment and we will judge things against the motivational treatment as the gold standard.

Q206 Dr Naysmith: One of the points I am really trying to explore is the belief for which there is a fair bit of evidence that there is more effective treatment for drug misuse than there is for alcohol misuse; is that fair?

Dr Raistrick: I would not say that was fair at all, no.

Q207 Dr Naysmith: Only 5.6% of dependent drinkers were receiving treatment in 2004; and last year there were 55,000 people receiving treatment for alcohol disorders, compared to 193,000 for drug disorders. So there were more people on drug treatment than there were on alcohol treatment, yet probably there are more dependent drinkers than there are drug addicts.

Dr Raistrick: I am sorry, I think I must have misheard you. Certainly there are more resources going into drug treatment.

Q208 Dr Naysmith: That is the point, is it not?

Dr Raistrick: Sorry, I misheard your question.

Q209 Dr Naysmith: Is that right?

Dr Raistrick: That is certainly the case.

Q210 Dr Naysmith: Should that be the case, given the bigger problem that alcohol must be compared with drug abuse?

Dr Raistrick: I think the difference is huge, is it not? The National Audit Office produced figures saying that it is something like £1700 per head spent on drugs and £200 on alcohol treatment episodes, so clearly that is a huge discrepancy. I think there are other problems with that as well, that the drugs strategy is driven by a separate bureaucracy which is also hugely expensive, whereas the alcohol services are not—they are driven through the usual Department of Health systems. Certainly in the early days the driving of the drugs policy, to my mind, lacked any sort of therapeutic optimism and I think there was a satisfaction to have essentially a methadone programme that was on the harm reduction ticket but a methadone programme that

really did not deliver very much in terms of other health and social gains. So it seems to me that while a lot of money is being spent on the drugs field the money is not being very well spent.

Q211 Dr Naysmith: What are the inadequacies then in the treatment of alcohol-related problems—people who are drinking too much and people who have got to the stage of problems with their drinking? What are the inadequacies in the treatment that you see?
Dr Raistrick: Other people have said that there needs to be a range of services. Clearly primary care is an important starting point; there is good evidence for brief or briefer interventions in primary care, but it has proved very difficult to role out what we know to be effective treatment into the primary care setting—very, very difficult to do that. The alternative is to say let us have some specialist workers going into primary care settings if the primary care teams are not willing or able for some reason to deliver the services. So that would be important for the longer term reduction and prevention of problems, but of course if you do intervene more actively in those settings and in all the other generic settings—social services, probation and so on—that will uncover a lot of people with more dependent drinking, so there needs to be an increase in specialist services. There need to be services such as Lynn has described in the general hospitals, and as Robin was saying the whole of the alcohol delivery services need to be more linked together. At the moment they are seen as pretty much separate from the rest of the NHS.

Q212 Sandra Gidley: The Government claim that there has been more money put into alcohol services but it just goes into the PCT pot. Do you think that all of the money that is in theory designated for the alcohol services is actually spent on alcohol services?
Dr Raistrick: I would think that it was not; there generally is not any evidence for that! I can really only speak for where I work, which is Leeds and as far as I am aware none of that money has yet been allocated—none of the money at all has been allocated.

Q213 Sandra Gidley: So does there need to be a dedicated funding stream?
Dr Raistrick: It always helps to have some clear guidance from the Department of Health. I know that the Department of Health see that they cannot be directive but I think some very strong guidance saying "You should have this; you should have that" usually results in the money being spent, although times might now be difficult.

Q214 Sandra Gidley: Would you like to put a figure on how much more money needs to be made available to tackle the problems? Or even in your area, to give us a rough idea of the shortfall?
Dr Raistrick: I think it is unlikely that a lot more new money will be available and I think the existing money could be better spent; we could reduce the drugs bureaucracy and move some of that money into alcohol. We could reduce the bureaucracy generally—I know everybody always says that and it is difficult to do, but we could try and do that. We could use resources that already exist in primary care and in secondary care. It is very difficult to put a figure on it.

Q215 Sandra Gidley: Would you say that it is fairer to say it is more of an overall lack of attention to the problem than necessarily needing a dedicated funding stream?
Dr Raistrick: I think both things need to happen. There is an overall lack of attention to the problem and I think if you look around the country the range of services available in any town or city varies hugely and undoubtedly there is a need for additional services, but I am not in a position to put a figure on it.
Ms Binns: Could I comment on that from the commissioning perspective because you are asking about the investment levels in the PCT? The DoH has come out with the formula that for every pound we spend on alcohol treatment we save £5 in the rest of the NHS. I do not think that is something that anyone would argue with; there is ample evidence around that. So in some respects investing in alcohol services is a spend to save approach. However, shifting money within the NHS is much more complex than that, so whereas if we are saying that if we spend money today we may save money in some of the higher end treatments in five, 10, 15 years' time but we cannot actually take the money out of those services today.

Q216 Sandra Gidley: So you need transition funding?
Dr Raistrick: We need transition funding, yes. Also, the additional item is that many people who we know have an alcohol problem or are developing an alcohol problem are not in contact with treatment services at the moment; they have not yet been identified and they have not identified their end problem. So this is a new group for whom we are not currently providing services. Again, we know that the evidence is that if we identify those people and give them early treatment then they will not cost us a great deal of money further down the line.

Q217 Dr Naysmith: We have seen some figures that suggest that the voluntary sector spends a lot more than the NHS on delivering alcohol treatment. Is that your experience, Dr Raistrick?
Dr Raistrick: I think there has been a changing pattern and there has been a shift of services into the voluntary sector. I understand from commissioners that the main purpose of that is to create a market place. I do not know if that is true but I can understand why that would be the case. So money has gone from the Health Service into the voluntary sector.

Q218 Dr Naysmith: Are we coming to rely on the voluntary sector in this area then and are they capable of delivering a service, given the way they have to raise money and so on?

Dr Raistrick: The voluntary sector has been a part of alcohol services for as long as I have been in the field, which is quite a long time, so I do not think it is really about relying on one sector or the other—the sectors have generally always contributed a particular part to the whole. I think that probably has changed, as I say, recently for the purposes of creating the market.

Q219 Dr Naysmith: Can they cope with the demands that are being placed on them now?
Dr Raistrick: There is an over enthusiasm by some non-statutory sector services to go for contracts that possibly they are not likely to be competent to deliver; indeed, that has happened recently somewhere I know, where a non-statutory agency got a contract to deliver an arrest referral scheme and then phoned a specialist service saying, "Our staff do not know how to deal with alcohol problems; how do we refer to you?" So there is, I think, a bit of a problem. Having said that, the staff in the NHS are not always competent to deal with these problems either.

Q220 Dr Naysmith: It has been suggested that the caseload sometimes might be too complex and too complicated for some of these organisations to deal with.
Dr Raistrick: I think that is certainly the case.

Q221 Dr Naysmith: Yet my experience in Bristol, without the voluntary sector there would be a huge gap in the provision of services, certainly for drug treatment and alcohol treatment as well. Is this something that the National Health Service should address more? I know you have said that there is a creation of a market but do you think the facilities are good enough in the National Health Service?
Dr Raistrick: No, I do not think they are, and particularly with alcohol there has been a very big focus on delivering brief interventions, presumably because brief also means inexpensive, without recognising the knock-on effects of doing that. A lot of brief interventions would no doubt be a very good thing but the knock-on effects of that are more people being identified and coming to specialist services, as is the case with more workers in the hospital settings. Now, of course, the focus is on the PSA25, so a lot of people are looking at how do we reduce hospital admissions. I think there is a general agreement that the only way you are likely to do that in the short term is by developing more specialist services to pick up the load.

Q222 Dr Taylor: We have already heard about the importance of early intervention and I was not quite sure, Carole, this spending a pound to save £5; is that specifically from early intervention or is that across the whole field?
Ms Binns: My understanding of that is across the whole field and it reflects the fact that the range of problems people present with, from hazardous difficulties, harmful difficulties right up to dependent drinkers, the cost of treating those people increases the longer those problems are entrenched. So the earlier you treat people and the quicker you get people accepted into treatment the more savings you will make in the longer term. So it really reflects the argument that high volume low intensity interventions are in the long run much cheaper and have better outcomes than high-end interventions for people that have had difficulties that have been entrenched for many years.
Dr Raistrick: That figure came from the UK Alcohol Treatment Trial.

Q223 Dr Taylor: As a commissioner are you able to shift money into prevention rather than treatment?
Ms Binns: It is difficult and it is complex and it comes back to the point I was making earlier really. I think people accept that early intervention is the way to go; it is the long term answer to this problem. But if I just use the Southampton experience, we calculated that we spend around £4 million on treating the effects of alcohol misuse, but the majority of that is spent in the acute sector—over £3 million is spent in the acute sector at hospital-based provision. But actually taking that amount of money out of a general hospital is actually difficult to achieve; it is the old argument, you cannot take money out of a hospital by closing one bed—you need to close a whole ward. So whereas I think they are long term savings it does require some short term funding and transition funding in order to commission services at such a volume as to make the shift.

Q224 Dr Taylor: We have also heard that GPs feel a shortage of secondary care services. Do you get GPs in your area pushing you to improve secondary care services or have you already been able to do that?
Ms Binns: No, we certainly have the same problem. Our view of this is that to tackle the volume of problems we have around alcohol misuse now requires a whole system approach. So it is not just a question of increasing services at one level—primary care level, secondary care level—what we need is to increase services across a variety of levels, and that would start with health promotion of campaigns and information to the wider public; then go on to look at screening and brief interventions to try and stop people developing entrenched difficulties and then obviously you would need to develop a volume of service that could cope with the people that were newly identified as having difficulty and needing treatment, and then at the more specialist end where people have very serious problems and need inpatient detox and residential rehabilitation services. So it is a question of looking at investment at all those levels. What we believe, though, is that we should be shifting the investment towards the early levels.

Q225 Chairman: We have heard this morning about that brief interventions work in about one in eight; what happens to the other seven?
Ms Binns: The evidence and the information that we have is that obviously alcohol misuse is by its very nature a relapsing condition. One of the things that we personally have not found any evidence around is what the long term impact of a brief intervention is. We have very good evidence that the short term

intervention—I believe that is up to around four years—is very good and that is where the one in eight figure comes from. We do not know if there is an impact later, so whether of those seven people that people still retain that information and may change the behaviour later. The other thing that we do know is that people change their behaviour spontaneously anyway as a result of other information that comes their way or it might be impact from family and friends. So although one in eight people, it is a very good success rate compared to some other interventions and it is possible that the overall result is better than that but we just do not have the evidence. It does compare favourable with smoking cessation though.

Dr Raistrick: Can I come back to the point about understanding that we were dealing with a process of change so that the brief intervention should not perhaps be judged solely on the single intervention but looked at in a more cumulative perspective, so that if everybody in the Health Service every time they saw somebody with a drink problem did something motivational, even if it was just the one question, the cumulative effect would add to the impact of these interventions. I am slightly worried that we get a bit too focused on the intervention rather than the process.

Chairman: We are coming on to commissioning and planning now.

Q226 Sandra Gidley: I think I understand the theory of commissioning; in practice it seems more like a black art I am afraid. How do you currently commission services for alcohol prevention and treatment in Southampton and how much help do you get from people like the Department of Health or your regional director of public health?

Ms Binns: We are changing the way we are commissioning alcohol services in Southampton in that we spent the last 12 months developing an alcohol commissioning strategy. In the past I think alcohol services have been seen as a very specialist area. It is a small area in terms of commissioning and in terms of investment around commissioning. Because of the wider impact of the impact of alcohol misuse, the impact on other conditions, such as cardiovascular, cancers, etcetera, we are trying to have a wider approach to commissioning services and we are looking at commissioning in cooperation with other people who are commissioning acute healthcare as well. So an example would be that rather than look at a screening or brief intervention service for people to identify people with alcohol issues, at the moment in Southampton we are looking at doing the pilot screening of brief interventions' service but targeting people who present with cardiovascular symptoms. So we know that this is a key group of people. The evidence is that a high percentage are drinking to harmful levels and if we tackle that particular group of people firstly we will identify a high number of people who need intervention but also there will be a long term health gain and hopefully there will be a long term saving, because they are presenting with costly conditions to treat. In terms of what we have been doing in the past has probably not been as effective as it could be. What we need to do in the future is actually have much more collaborative commissioning, working around the fact that the impact of alcohol is coming up in a range of areas and it is not just the Health Service either, it is also around community safety activity and the criminal justice system.

Q227 Sandra Gidley: Southampton is still one of the most drunken cities in the country according to the stats we saw.

Ms Binns: We are an outlier in some areas, yes.

Q228 Sandra Gidley: I went along to see the local liver specialist a couple of years ago and he told me that there is a very effective intervention, a day a week nurse saved something like—I cannot remember off the top of my head and I might be exaggerating when I say £95,000; but it was either 75 or 95. Yet that service has not been commissioned. Why not? Who is responsible for that?

Ms Binns: It has been re-commissioned. I do not know the absolute detailed history of that because I was not involved in those discussions, but, yes, I agree, I do know that there was evidence around a service that was provided by the acute hospital; it was nurse follow up from the liver unit. It had good results and good outcomes. Funding had ceased I think due to general cost pressures in the local NHS, but the arguments were made and that service has now been re-commissioned.

Q229 Sandra Gidley: When was it re-commissioned?

Ms Binns: September/October last year.

Q230 Sandra Gidley: The Chief Executive of the hospital did not seem to think it had when I spoke to him, so there is obviously a breakdown in communication there. So how much has Southampton spent on commissioning services for prevention and treatment since 2004? And are you able to break it down by year and balance? Has the balance changed between prevention and treatment?

Ms Binns: What we commission—and I am a joint commissioning manager and I work across the city council and the PCT, so this would be across health and safety care—one of our difficulties is that the way we have presented it in the strategy work that we have done is that a lot of our investment in alcohol services is unplanned spend, so it is not spend on designated alcohol services. It is just short of £1 million; it has not changed apart from being inflated for a number of years, so that has been a consistent figure. What we actually spend in terms of treating the impact of alcohol misuse is about £4 million. What we are looking at trying to do is to shift the unplanned spend towards planned spend, so actually move investment towards treating prevention and early intervention, rather than continuing to have investment in treating the impact of long term use.

Q231 Sandra Gidley: So why were the local detox facilities closed down? Was that a commissioning problem or was that a separate problem?
Ms Binns: There was a local detox unit that was provided by a voluntary sector provider. The outcomes were not good and the service has been re-commissioned from another provider, so there was not any reduction in funding around alcohol—the full amount was re-commissioned.

Q232 Sandra Gidley: You have highlighted some of the barriers, particularly around shifting resources. Are there any others that you have not had a chance to mention?
Ms Binns: One of the difficulties is making the argument to trust boards, to elected members around moving investment to strategies that have a long term outcome. Most planning cycles and most targets you are expected to deliver changes within two, three, perhaps five years. Some of the changes that lots of people have been arguing about today would not show impact for much longer than that, so you are talking about impacts over 10, 15 years. Very good but long term health gains, so difficult to fit into planning and funding cycles that only last two or there years. Also, I think probably the answer to investment is to get a number of agencies to act together—criminal justice agencies and agencies like police, probation, health and social care. It is a complex area where lots of people are spending in an unproductive way and it is a question of getting all of those agencies to join together in a joint investment plan to all spend their money together in a more productive way.

Q233 Chairman: Did you have a comment to make, Professor Touquet?
Professor Touquet: Yes. Many of us find it very difficult to clarify in our own minds countrywide about commissioning for services and in preparation for today. Could I just highlight to the Committee the Department of Health National Audit Office Report which was published in October 2008 because I thought I might be asked about the PSA25? Could I read two sentences from the page on PSA? It is not my field but reading these two sentences it does seem that regional directors of public health have quite a responsibility. The last two sentences read: "The Department of Health has committed 2.7 million per year for three years from 2008–09 for regional alcohol offices with dedicated regional alcohol managers to support commissioners in delivering the PSA. Regional directors of public health will assess whether planned activity is both realistic and reflects local need and will check performance by PCTs against local targets annually." Reading this yesterday I just felt it pertinent to highlight those two sentences.

Q234 Sandra Gidley: Carole, have you had much support from the regional director of public health? I am sure I know who it is.
Ms Binns: I have had a lot of support from our local director of public health but not necessarily from the regional director. I think the leadership and drive has come from our local director of public health, who is very interested in this area and very active nationally.

Q235 Sandra Gidley: Would it be fair to say that there is a lack of interest at strategic health authority level?
Ms Binns: I would not want to go as far as to say there is a lack of interest. I think it reflects the level of interest that alcohol has in national and regional levels—it is seen as a very specialist area and it has not really attracted the leadership in the past.

Q236 Sandra Gidley: Do you know how any of this money has been spent that has been highlighted by Professor Touquet?
Ms Binns: Locally we have had a small increase investment from Choosing Health as a result of the intervention of our public health director.

Q237 Sandra Gidley: That is Choosing Health; that is not part of this pot?
Ms Binns: Not part of this pot, no.

Q238 Charlotte Atkins: There is a gulf between the money spent on commissioning drug services and the money spent on commissioning alcohol services. How do we overcome that problem of that gulf?
Ms Binns: The difference between the drug services and alcohol services, drug services came with a ring fenced allocation, which is one of the reasons why there has been a considerable increase in services for drug mis-users over the past few years. There has been a reasonable level of investment, I would have to say, new investment. I am not going to sit here as the commissioning person on the panel and argue for more resources because I would feel it a little bit of a cliché really. But I do think that there is an issue about help in terms of ring fenced funding for alcohol services and also in terms of transition funding because I think we all accept that we are spending money at the wrong end of the spectrum and that we can make savings by spending differently and more effectively; it is just very difficult to make that transition without some pump priming money at the start of that process. We had that for drugs and we have made lots of changes and we have not yet had that for alcohol.

Q239 Charlotte Atkins: One of the problems is that we have drug advice centres which also supposedly cover alcohol—I have one in Leek although the sessions have been reduced massively. But there seems to be a hierarchy of self-harmers and the alcoholics or people abusing alcohol seem to think that the drug addicts are right at the bottom of that hierarchy and they are at the top; therefore they do not like going to the same advice centres. Is that a problem that you have come across?
Ms Binns: I certainly think that there is a problem in people with alcohol problems accessing the substance misuse service that deal with a range of people with both drug and alcohol problems because

I think you are right, there are some people with the dual problem; but most people with an alcohol difficulty do not see themselves in the same category as drug mis-users. One of the obvious reasons around that is because drugs are illegal and alcohol is legal. I also think in terms of accessing any service that there is huge stigma around alcohol difficulties. It is often reflected back to us that if people say to you, "I am trying to give up smoking" you actually get quite a lot of support and people wear patches very openly, but if you actually say to somebody, "I am trying to give up drinking" all sorts of other responses come forward. So I think that access to any alcohol service needs to be quite sensitively managed. There used to be a myth that people with alcohol problems were sitting in the park and drinking out of bottles in brown paper bags. No, lots of people are at universities and college and lots of people are in good jobs and sitting at home drinking at night. So it has to be services that are sensitive to a very wide group of people. That is why I am saying that in terms of prevention and early intervention we need to make access across a lot of points and we also need to make those points place us where people routinely come into contact with people.

Q240 Charlotte Atkins: You spoke earlier about a new group, young people who do not generally go to their GPs and who do not come across health services. So as a commissioner how much multi-agency support do you commission which is delivered at school level?
Ms Binns: As a result of the strategy work that we have been doing recently we have been talking to not just schools but to a wide group of agencies that work with young people.

Q241 Charlotte Atkins: Like?
Ms Binns: Youth agencies, youth counselling agencies, young offenders' teams—really anybody that comes into contact with young people for any reason. I think it is important not say, "This is the young person's agency that deals with alcohol problems" because I think, particularly with young people, some of the interventions, to be most successful, need to be opportunistic. People need information about alcohol to be able to give to a young person that has come to them with another problem or routinely, to talk to a teacher, but as a result of that discussion something else emerges, and if we do not have a person at that point that can respond to that issue then we have lost a big opportunity.

Q242 Charlotte Atkins: Given that youngsters are supposed to go to school—put it that way—what sort of services are you intending to commission at the early intervention level to get those young people that do not normally access health services?
Ms Binns: We are looking to commission on the same basis as we are targeting adults but from a youth-friendly perspective, so we are looking at good information and advice but information and advice that young people respond to. For example, we have done some consultation and focus group work with students in Southampton to see what sort of messages might appeal to them and they are tending not to be long term arguments about health, they are tending to be other arguments about image and the possibility of having a criminal record and not getting a good job, and things like that. So it is advice and information but particularly targeted at young people and being youth-friendly. It is also again basic screening and brief interventions information but delivered by people who are used to working with young people and can talk at their level, so youth workers and teachers. In the same we are talking about nurses should have those skills in hospital, teachers should have those skills in school and that is what we are looking at.

Q243 Charlotte Atkins: Teachers but presumably working with other agencies and not necessarily expecting teachers to be able to deliver what is sometimes quite a difficult message.
Ms Binns: Perhaps to be able to deliver that first message and to have information and contacts to then be able to refer a person who needs more intensive help to the correct agency, but what you always have to bear in mind with a young person is that you need that immediate response so that you do not lose the opportunity and also you need to be able to accompany that young person to the next stage if that is necessary. Most young people will not respond to giving them a card or an appointment in three weeks—you might have to broker that arrangement and provide support to get the person to the right contact point.

Q244 Charlotte Atkins: So why do they not come into the schools and do it that way?
Ms Binns: We are looking at going into the schools and working jointly with the schools but that would also be around training the teachers as well to make that first level response.

Q245 Charlotte Atkins: If you have a multi-agency centre within a school then obviously young people could just drop in and have a cup of coffee or whatever.
Ms Binns: Also there are key people within schools. Sometimes there are teachers dedicated to look at health and social needs of the pupils; sometimes there are school counsellors. So it is also about responding to what you actually have in your local area and building on that and making the best use of the contacts that we already have. There may be a school nurse, for example.

Q246 Charlotte Atkins: Lastly, do you think that duty on alcohol should be increased and that duty should be used to fund alcohol treatment services?
Ms Binns: I think it is a complex issue. I think the answer to this is across a range of interventions. My expertise is around care and treatment and commissioning those services. What is helpful to us is that if there is—and certainly at government level as well—a cross departmental approach to this, so

looking at pricing policy, licensing issues and looking at all those issues, then we will have maximum impact.

Q247 Chairman: Brian, we are moving on to you now; thank you for your patience. Not those in the back of the ambulance, but your patience!
Mr Hayes: Can I just add one thing about the school stuff? Two weeks ago—I do not know if you have heard of Junior Citizens, where Transport for London have set up a safety thing? We go in and we talk about scene safety and the police talk about internet safety and things like that. On the second week of last week the police did not realise not realise that they had been booked for two weeks so we had a gap and we were asked if we could come up with anything that we could talk about to the kids. So as we run the Booze Bus we have lots of photos and lots of things that we could show them. We sat the kids down—we had 600 kids over the week—and the first question I asked them—and these are 10-year-olds, not secondary school but year 6 going up to secondary school—was how many of them had had alcohol, and I had someone at the back jotting things down for me. Out of the 600 kids 458 of them had tried alcohol before; 59 of them had been drunk. It was at that point I thought this is where something needs to be done—it is not secondary schools any more.

Q248 Charlotte Atkins: It is all levels.
Mr Hayes: And just pointing out not only the damage that it does to your body but the fact that you can get into serious trouble. Some of the photos we showed them were quite graphic and what was really surprising was the fact that the teachers were going away having no idea that these kids have put their hands up that they had had alcohol and some of them had been drunk. Yes, I can take on board that some of it would have been bravado and one or two of them might have seen their mates put their hands up and they have put their hands up. But out of that it is quite worrying how many of them have actually been drunk before.

Q249 Charlotte Atkins: If it is going to happen to 10-year-olds it is going to be happening a lot more to 13 and 14-year-olds, is it not?
Mr Hayes: On the ambulances we have been to 10-year-old kids, absolutely wasted. There is something that a young kid said to me, that there is something they call "mine sweeping", where they will be at family parties and they will sweep all the dregs. It actually has a street term name to it—"Yes, I was at a party and I was mine sweeping", and these are 10, 11, 12-year-old kids doing it.

Q250 Sandra Gidley: To move on to the Booze Bus, which I think is a London innovation, I do not know if it was your idea, but can you tell us how it works and the thinking behind it?
Mr Hayes: It was reluctantly my idea. Five years ago we were coming up to the Christmas period, which is always busy, especially in the West End and certain parts of London. We had a station meeting and were asked if anyone had an idea on how we could relieve pressure on ourselves and to make frontline ambulances more accessible to more priority cases, shall we say. The problem we were having was that we would be on our way to hospital with someone who was drunk in the back and they would be putting out broadcasts asking for ambulances to free up because we had 60-year-olds, 70-year-olds with chest pains and people involved with RTAs, and I came up with an idea that what we should do is put a paramedic and two patient transport people on to one of our patient transport vehicles. So instead of being able to take one person we could take up to five at any one time—especially between the hours of 10 and two in the morning, where we would just be directed at calls that had come in and the sole indicator was that this person was drunk. We were doing between 12 and 14 jobs a night, which is roughly what a normal ambulance does in a 12-hour shift. The only difference is that our 12 were in that four-hour period, so we were then taking them into A&E. That was five years ago. What has happened since is that because of the way the relationship has developed between us and our call takers if a call comes in from the initial 999 call now someone on the desk, once it comes up, with a little more experience, will then ring that call back and say, "Can you tell me exactly what has happened to the person has rung?" and then that will determine it from there. We are now finding that we are busy between the hours of 10 and four o'clock in the morning and we will do up to 20 now. What we are finding as well, if we pick someone up at 11 o'clock we might still have them on that bus at one o'clock in the morning and by that time if they have vomited and we have run fluids through them and they have sobered up, as long as there is someone to meet them at A&E they will come in and be seen quickly by the triage nurse, but nine times out of 10 they are not sat around waiting for four hours because they have sobered up from there. It is purely run to save us ambulances and to free things up. Last year alone we had 61,000 calls—this is around London—purely alcohol-related and at nearly £200 per ambulance call—and I am not good at maths but I would like to be able to retire on that amount, I am sure. That is how much it is costing us and that is without the calls that are alcohol-related and have other stuff attached to it, like injuries.

Q251 Sandra Gidley: These are purely people that are drunk and you are driving them around and basically to help them to sober up—
Mr Hayes: No, that is just a by-product of what has happened, where we go from job to job. The way we run it now is that we have two paramedics on it; we have a PTS driver and two paramedics and in that way when we get out to go and pick up someone who is drunk the people on the vehicle are still left with a paramedic and the other paramedic and the PTS person.

Q252 Sandra Gidley: So do they all get taken to the same hospital eventually?

Mr Hayes: No. Because of the area we operate in they are split between St. Thomas' and UCH.

Q253 Sandra Gidley: I think Professor Touquet wanted to come in.
Professor Touquet: Certainly with the changes in licensing hours and regulations we have seen the peak of what is colloquially known as chucking-out time pushed to the early morning and we hear a cacophony of stories which echo what Brian Hayes has said. What one does wonder is how on earth these people are going to go to work in the morning or do anything meaningful. You asked me, Mr Chairman, right at the beginning, should we charge these patients? There is one aspect I did not say, which is that the drinks companies spend billions advertising and you can view that the young people are responsive to that and that they are therefore victims of society and the LAS is picking up the bill. The drinks companies will say that fewer people in this country drink. Correct; that is because of immigration and the number of people who abstain is higher. They will say that one to two drinks is sensible drinking, but it is a J-shaped curve. That is now disputed because the non-drinkers included previous dependent drinkers who are now abstinent, who clearly have an increased mortality. Is it surprising when you have a group of people in the drinks industry spending billions on publicity that you hear the stories that you do, which is why our time is so worthwhile being able to give evidence to politicians.

Q254 Sandra Gidley: Obviously this service helps up paramedics' time to do other things and go on to the urgent calls. You described earlier some of the more graphic cases that you had had to deal with, but what is an average night like? How much of a paramedic's time is actually spent dealing with alcohol-related problems?
Mr Hayes: Over a year it is 6% overall, the whole of London—that is 24/7—6% of our calls are alcohol-related. That is year-wide. The 11% was the increase that we have seen since the year before; so we have an 11% increase from last year. What we are finding is that between the hours of 10 and two in the morning one in five on a Thursday, Friday, Saturday of our calls are alcohol-related. So that is nearly 20% of all the work that we do and that time it is alcohol-related. I will give you an example of a normal patient. We will pick someone up with chest pain, 12-lead ECG, take him in, come back to the ambulance, hit the button and we are ready to go—roughly an hour. But you get someone on a normal frontline ambulance, intoxicated, the first thing most of them do as we leave the scene is they will vomit. That then renders that ambulance off the road for an hour once that call has been finished because it has to be deep cleaned because of infection and so on. Hopefully none of the vomit has gone over the ambulance crew because if that is happened—shower, change your uniform. So you can be looking at that ambulance being unavailable to deal with anything else for two hours, two and a half hours because of alcohol. Then you will get the ones where ambulance crews have been assaulted. It is very, very rare that you will get an ambulance crew assaulted by somebody who is not under the influence of either drugs or alcohol. We have had cases of paramedics being sliced with knives, punched, physically assaulted, kicked, ambulances being nicked just as a prank through somebody being drunk and then driving it into a row of cars; so not only is that crew off the road we have lost an ambulance as well. If it was purely drink, from our point of view—I know from listening to everybody else it is a massive problem—and we were taking people in one at a time it would not be as much of a problem, but it is the stuff that is associated with the alcohol, like the vomiting and the assaults, and just the vast quantity of it as well. One in five of our calls at that time, it is quite hard to cope and manage to hit the targets we need to hit.

Q255 Sandra Gidley: Coming back to an earlier point, somebody on the receiving end of an assault, would that be flagged up as alcohol-related?
Mr Hayes: Not that I know of.

Q256 Sandra Gidley: So the figure is probably higher?
Mr Hayes: Yes, it probably is. I would say that through alcohol you could at least double that 61,000—that is alcohol-related incidents. What happens on our patient report forms is that we will get an incident box which will give you a list of accident, self-harm or RTC and so on, and then you will have a code for what the problem is, and that will be taken from that only. So if we go to somebody and they have an open fracture to the femur due to a fall because they were drunk, the alcohol probably would not get filled in because obviously that femur is the overriding problem. So it is probably not a true capture of the information.

Q257 Sandra Gidley: I gather that you are running the bus every weekend; is that because Londoners are getting drunker?
Mr Hayes: It would seem so. We have had an 11% increase; so, yes, definitely. I think it is where you get the mass bars and things like that where the real problems are. Our two highest ones are Westminster and Camden. We have the one in Westminster that we run out of Waterloo, which is now permanent; and the Camden one is still being trialled at the moment, and that is being paid for by the PCT. So it is costing us an absolute fortune in hours as well as financially.
Chairman: I think that is the end of the session. Could I thank all four of you very much indeed for coming along and helping us with this inquiry. If you have any further thoughts on what is being said or asked this morning we will be more than happy to receive them in email form or written form. Thank you.

Thursday 14 May 2009

Members present

Mr Kevin Barron, in the Chair

Charlotte Atkins	Mr Lee Scott
Sandra Gidley	Dr Howard Stoate
Stephen Hesford	Dr Richard Taylor
Dr Doug Naysmith	

Witnesses: **Dr Petra Meier**, University of Sheffield, and **Ms Lila Rabinovich**, RAND Europe, gave evidence.

Q258 Chairman: Good morning. Could I welcome you to what is our third evidence session of our inquiry into alcohol. I wonder if I could ask you if you could give us your names and current positions you hold for the record.

Ms Rabinovich: My name is Lila Rabinovich. I am an analyst at RAND Europe. We are a public policy research organisation, independent and not-for-profit.

Dr Meier: My name is Dr Petra Meier. I am a senior lecturer in public health at Sheffield University.

Q259 Chairman: Thank you. I have got an opening question for both of you. I wonder if you could summarise the most important findings of your two different reports, and how can you be so certain that they are robust?

Ms Rabinovich: We conducted a study for the European Commission. They wanted us to look at the link between alcohol affordability, consumption and harms across the whole of the EU. They also wanted us to give them an overview of alcohol taxation in the region and to discuss whether price was an adequate policy lever in light of the findings of our research. Some of the key findings regarding taxation were that the minimum excise duty rates set by the European Union have not changed since 1992 which means there has been about a 30% reduction in the real value of the rates. It is not entirely significant in that most countries across the EU exceed the minimum rate anyway, but some countries not by a very significant amount. The excise duty rates within Member States have also experienced somewhat of a decline across the EU, although this hides some differences within countries and in the UK in particular it has not been the case that there has been a significant reduction in excise duty rates. We also looked at trends in affordability of alcohol. What we found was that there has been an increase in affordability in all of the 20 countries that we had data for, except Italy. In eight out of the 20 countries affordability has gone up by more than 50% since 1996, which is a very significant amount. In the UK it has gone up by about 70%, which is more than most other western European countries. We found that most of the change in affordability was driven by changes in disposable income, so about 84% of the change in affordability was driven by increases in income and only about 16% driven by changes in the relative price of alcohol.

Q260 Chairman: We may cover some of these more detailed areas in later questions. Petra, I wonder if I could ask you the most important findings and how robust is your report?

Dr Meier: This was a study funded by the Department of Health to do systematic reviews of the evidence linking price to consumption, price to harm, consumption to harm and to look at advertising and consumption. Three separate areas to do systematic reviews on. Then to model the likely effects of a range of different policy scenarios going from our general price increases through to various levels of minimum prices per unit of alcohol and also various ways of restricting off-trade promotions, price-based promotions. That was what we set out to do. The main findings from the systematic reviews are that the evidence on the link between pricing and consumption and pricing and harm is generally very strong, very consistent and has been contributed to over the last 40 years. The link between advertising and consumption is somewhat less well developed and there is indicative evidence, as we like to call it. That is if the evidence points in a certain direction but is not entirely conclusive. We have got very good evidence on the link between alcohol consumption and harm at various levels of consumption. Those are the systematic review findings. In terms of the modelling, there were two parts. First, because some of the policy options we looked at target part of the alcohol market, for example minimum pricing targets very clearly the cheaper end of the market and much more the off-trade than the on-trade, so more the supermarkets and off-licences compared to pubs, clubs and restaurants, it was important to first get a feeling for who consumes what kind of alcohol and what are the drinking preferences. The main findings there were that what we call the harmful drinkers, so probably the top 10% of the drinking population who drink most of the alcohol, have got a very clear preference for cheaper alcohol, on average they pay about 70p per unit, whereas moderate drinkers, the people who drink less than the Government's recommended limit, would pay about £1 per unit on average. That hides a variation between the off-trade and the on-trade. In the off-trade the units are much, much cheaper. The average is about 42p per unit in the off-trade and £1.12 in the on-trade, so quite a significant difference there. In both settings harmful drinkers drink more cheaply and pay less per unit of alcohol than moderate drinkers. There is obviously a vast difference in terms of how much is consumed. Harmful drinkers

on average consume 3,600 units a year and moderate drinkers 240 units a year. That is the difference we are talking about if we look at the different ones.

Q261 Sandra Gidley: Sorry, can you say those figures again?
Dr Meier: 3,600 units a year for the harmful drinkers and 240 for an average moderate drinker. Those kinds of differences are important when we look at the policy effects because, of course, if you change unit price in particular harmful drinkers will be affected more by these policy changes just by virtue of them drinking so many more units. Any change that you make on the average unit price in the off-trade will affect harmful drinkers more because they drink more and also pay less on average per unit so any increase in price would be more pronounced. Generally all policies that lead to price increases are effective at reducing harms in health, employment and in terms of crime levels. General price increases, those that target the whole market, tend to be somewhat more effective at reducing harms across the board. Where minimum prices are particularly effective is at targeting cheap alcohol and therefore having a proportionately larger effect on people who drink more, so the difference between overall harms and the targeting of the different policies. I know there has been a lot of discussion about different levels of minimum pricing, but to give you an idea of how different minimum prices work on consumption and that feeds through—

Q262 Chairman: We will be asking questions on that. I think what you are both saying is there is a responsiveness of demand to changes in the price of alcohol and you both agree with that as a general principle.
Ms Rabinovich: Yes, although it is worth noting that in the case of our research we looked at the responsiveness of consumption with regards to changes in affordability which is a composite measure of price and income. We did not look specifically at price.

Q263 Dr Stoate: I want to tease out a few more details about minimum pricing because obviously that is an important and very topical issue at the moment. I would like to know what you think would be the effects, for example, of a 50 pence minimum price for a unit compared perhaps to a 40 pence minimum. What do you think would be the relative effect firstly on heavy drinkers and then on moderate drinkers?
Dr Meier: The effectiveness of minimum unit prices goes up quite steeply, so whilst a 20p minimum unit price does not have much of an effect at all on death rates, hospital admissions and so on, you see increases at 30, 40 or 50p. For example, in terms of deaths, 30p would be 300 deaths a year, 40p would be 1,400 deaths a year and 50p would be 3,400. It is a steep increase in effectiveness.

Q264 Dr Stoate: You are saying quite categorically that if the minimum price was 50p per unit, which would make a bottle of wine £4.50, you are talking about 3,000 deaths a year saved?
Dr Meier: Yes.

Q265 Dr Stoate: How robust is that data? Where is your scientific evidence?
Dr Meier: The scientific evidence comes from a variety of sources. We have used pricing data from the Expenditure and Food Survey and cross-validated that with data from ACNielsen. We have got consumption data from the General Household Survey and general purchasing levels from the Expenditure and Food Survey. We used the UK and international literature for the relationship between consumption and harm. In terms of death rates there are good studies, meta-analyses, on how changes in consumption relate to changes in mortality rates. Liverpool John Moores University has published a report on alcohol attributable fractions that tells us something about what proportion of morbidity in 48 different conditions is associated with alcohol. If you have got cancer rates, for example, it would tell you what proportion of certain cancers is attributable to alcohol. We have used those to estimate what consumption change would relate to in terms of harm outcomes. For the link between price and consumption we have used econometric modelling using the Expenditure and Food Survey data.

Q266 Dr Stoate: You really are categorically saying that if alcohol were 50 pence a unit we would save as many deaths as those on the road every year?
Dr Meier: In the same region, yes. There is a confidence interval around them and certain assumptions are related to some uncertainties in the model but, yes, broadly speaking that is the case.

Q267 Dr Stoate: That is an incredible figure, it really is. One of the things we hear against the idea of more pricing is that it would disproportionately punish moderate and sensible drinkers who would find their prices going up when they have not got a problem. Do you think that is an issue or is this such an important figure that it outweighs those sorts of considerations?
Dr Meier: The effect on spending is also entirely disproportionate. For example, a moderate drinker would only be expected to pay an extra £12 a year whereas a harmful drinker, because they buy so many units, and cheaper units at that, would be expected to pay an extra £160 a year. For the moderate drinker that is a pound a month. It is not up to us to weigh that. It is up to policymakers to weigh up whether that is a significant change in moderate drinkers' spending or a disproportionate response. Just to put that into context, of course moderate drinkers are not affected by it very much because they drink more expensive alcohol, more of the alcohol in the on-trade, which is not affected, and harmful drinkers are using the kind of alcohol that is targeted by the policy.

Q268 Dr Stoate: Your view is that the moderate drinkers would be marginally affected but heavy drinkers would be hugely benefited?
Dr Meier: Both would be benefited. About 20% of the deaths saved are in the moderate drinkers' group which could be explained, for example, by road deaths, pedestrian deaths that would be avoided if people are not drinking. About 20% of the benefits come from the moderate drinkers although, of course, the harms are mainly concentrated in the harmful drinkers.

Q269 Mr Scott: How do you think that minimum pricing would take effect on off-trade sales as compared to on-trade? That is a question for both of you.
Dr Meier: It depends at the level that you set the minimum price.

Q270 Mr Scott: Let us say 50p.
Dr Meier: Roughly 70% of the off-trade sector would be affected to different degrees. The value lagers and so on would be affected more than your bottle of Jacob's Creek, which is already above that. Generally the off-trade sector would be much more affected. The average unit price in the on-trade sector is already £1.12 or something in that region. It would only affect that part of the on-trade sector that really sells very cheaply, which has got very extensive happy hours or free drinks for certain groups, otherwise I do not think they would be particularly affected by this.
Ms Rabinovich: I defer to Petra's view. In our research we did not do any modelling on the possible effect of the particular policies so I cannot comment except from what I have read in Petra's report.

Q271 Dr Taylor: Can we look at some other countries, and I think this is particularly to Lila. How do you respond to what Tesco's have told us in their written submission: "It is too simplistic to apportion responsibility for problem drinking to the price of alcohol alone. If low-cost alcohol were the only factor then countries such as France and Spain, where prices are much lower than in the UK, would have similar problems, and countries like Finland, where alcohol is expensive and its availability restricted, would not". How do you counter that?
Ms Rabinovich: There are many aspects to that question. First of all, at no point in our research do we say that price is the only factor influencing consumption. In fact, it is very clear that it is not and we know that cultural and socioeconomic changes also have an important effect, for example urbanisation, changes in tastes, competition from non-alcoholic drinks, all of them seem to have an effect on consumption as well. Having said that, the other issue is we do not compare the way in which individual countries respond to price. We do not compare how Finnish people respond to price versus UK people. What we look at is relative to what the situation was in 1996 in the EU as a whole, which is the first year for which we have data, how has affordability changed and how have people across all the countries responded to that change. What happened in Finland, for example, which traditionally had much higher prices than most other European countries, was that affordability went up by a very significant amount because prices went down when taxation went down in 2004, but it was a trend that had begun earlier. Consumption went up and harms went up as well. France and Spain are completely different countries and affordability did go up in those countries but the changes in harms and consumption do not match the changes that were experienced in Finland. It is not about comparing one country with another, it is about looking at what happened relative to an earlier situation within each country.

Q272 Dr Taylor: You accept that there are many other factors as well as price?
Ms Rabinovich: Absolutely, yes. If that was not the case then Finland, which has a high price, would not have a problem, an increase in taxation and price would get rid of all alcohol consumption or alcohol harms, but that is never the case. Pricing policy can only be one of many alcohol policies.

Q273 Dr Taylor: In your experience is the culture in Finland, for example, the culture of going out to get drunk rather than just going out to have a drink?
Ms Rabinovich: I cannot say other than from what we have seen in the literature and the evidence appears to be that there has been an increase in binge drinking and going out to drink to intoxication in Finland. Further than that I cannot really comment, I have not been to Finland.

Q274 Dr Naysmith: The studies that you have carried out are different and looking at different things but in the same sort of area. Both studies suggest that minimum pricing would result in cost savings for the National Health Service and the criminal justice system in particular. What is the evidence for saying that? How would these cost savings be broken down?
Dr Meier: How did we arrive at the cost savings? We got unit costs for healthcare and we used Home Office figures to estimate the costs associated with each type of crime and breaking those down by violent crime and burglaries, so the crimes that are attributable to alcohol. It is probably fair to say that our evidence base on health is much wider. There are literally thousands of studies on health so the findings are likely to be much more robust. In crime there are studies but much fewer of them to tell you exactly how crime would respond to consumption changes and price changes in particular. We have been using the most recent evidence on that association and the model of that through consumption changes. Our model always looks at price changes, consumption changes and then how would consumption changes be likely to affect crimes. In terms of crimes we have used acute drinking rather than chronic drinking as the driver of crimes, your binge drinking if you will, so the maximum drinking that someone does in a day, whereas most health harms are associated with how much people drink on average.

Ms Rabinovich: Without doing any actual modelling I cannot comment on how you arrive from minimum prices to savings in health.

Q275 Dr Naysmith: Okay. A number of other people have asked how robust these studies are and you have answered that, which I assume is because you are very confident. Have your studies been attacked by anybody who thinks the findings are not as valid as you think they are?
Dr Meier: We know that there is a report that has been commissioned from CEBR to attack our study. We have been trying to get hold of it for a while now and have not been able to see it. I have to say our report has been through lots of peer review by various experts, including economists. There has been a counter-study commissioned by ASDA on pricing which was not particularly scientifically robust, so I am waiting with bated breath to see whether the CEBR study is any better than that.

Q276 Dr Naysmith: How do you know about this CEBR study?
Dr Meier: How do we know about it, because it has been hinted at in the press that there is some kind of counter-study where—

Q277 Dr Naysmith: What does CEBR stand for?
Dr Meier: Good question! The Centre of something or other Research.
Ms Rabinovich: Economics and Business Research.

Q278 Chairman: That is something we can probably get a hold of.
Dr Meier: Generally the argument seems to centre around whether or not moderate drinkers are more or less price sensitive compared to harmful drinkers. There have been a number of studies that seem to suggest that harmful drinkers are somewhat less price sensitive in the region of where if you had a 10% price increase harmful drinkers would decrease their drinking by about 3% whereas the total population would maybe reduce their drinking by about 5%. Our study approaches this slightly differently. We break down responses to different price categories to different beverage types and to off-trade or on-trade price changes, so we cannot really compare our results neatly with those very high level aggregate econometric measures. We have done this breakdown because the pricing policies under discussion do affect only part of the market so it is really important to know how people respond to the price changes in those parts of the market rather than overall alcohol over the whole population.

Q279 Dr Naysmith: Thank you. Have you had any attacks on the robustness of your findings?
Ms Rabinovich: Yes. Unlike our colleagues from Sheffield we did receive reports commenting on or criticising our study. In particular with the econometric analysis the criticisms were so vague that it was very hard to understand exactly what they were getting at, except they were saying that we did not use the appropriate econometric methods to conduct our analysis and if we had used more suitable means then we would have arrived at more robust results. There was no specification about what more suitable means would be. Like our colleagues in Sheffield we also had our report peer reviewed, including by econometricians. We are confident in our analysis.

Q280 Dr Naysmith: The measure is you are pretty confident about your findings.
Ms Rabinovich: We are. We are aware of the limitations and they have been highlighted in our report. There are limitations on data.

Q281 Dr Naysmith: Can I move on to something else, which is how much do you think the fact that the Treasury raises a lot of money through alcohol duty influences their attitude to minimum pricing?
Dr Meier: I really would not know, sorry.

Q282 Dr Naysmith: Do you have any idea from your studies?
Ms Rabinovich: No, we can only guess.

Q283 Dr Naysmith: Would minimum pricing lead to massive profits for producers and sellers of alcohol? Would it have that perverse incentive?
Dr Meier: I do not know about a definition for "massive", but there certainly would be increases in retail revenue largely proportionate to the effects on consumption and so on. We have given headline figures in our report. One of the limitations of the report is that we have not been able to model all the supply side responses that might be possible to the introduction of a minimum price, for example whether there would be different promotional tactics going on or whether people might start including freebies with alcohol, all these kinds of things that might also have an effect on how minimum pricing works in practice. There is not any evidence out there.

Q284 Dr Naysmith: From what you said earlier about the minimum price being a pound or so for on-sales anyway, this would affect supermarkets much more than licensed premises.
Dr Meier: It would affect supermarkets much more, although where the prices in supermarkets increase there is also a switching effect. If the prices become more similar to the on-trade we see quite a bit of switching back from supermarket alcohol to the on-trade sector. We also modelled some positive effect on the on-trade.

Q285 Chairman: What do you think of the Chief Medical Officer's view about the pricing of alcohol?
Dr Meier: We are glad that someone seems to have read the report and understood some of the things. I thought the introduction of the term "passive drinking" was an interesting one. We have not included a lot of those harms, so if you did you

would end up with slightly different responses. We do not have a view on the right level of minimum pricing. As an academic institution we can only provide the evidence and say, "Here it is. Use it, please".

Q286 Sandra Gidley: Last week we heard that early intervention by GPs and other clinicians is effective in treating one out of every eight patients. Is there any evidence that minimum pricing would be a more effective policy than clinical intervention?
Dr Meier: No. What we have not done as yet is look at the comparative effectiveness in terms of cost-effectiveness of different things. Work on that is underway, as far as I know, but that has not been done. There is a general list of what the cost-effective policies are and brief interventions, for example, are certainly on that list, but how they have not done that. It is probably not an either/or choice. If you wanted to introduce some of both then you would need to be able to model how different policies interact with each other and at the moment we do not quite know how to do that. If you have got a change in treatment budget and a new policy on brief interventions there may be some changes in alcohol availability and a price increase but it is very difficult to model how those policies would come together.
Ms Rabinovich: There is a little bit of evidence in the drink-driving area of alcohol policy where there is some sense of how different drink-driving policies interact with each other. Fines and random breath-testing, for example, work better together than individually. Like Petra said, there is very little on how the range of different alcohol policies work together or compare in terms of cost-effectiveness.

Q287 Sandra Gidley: Are there any other cost-effective non-clinical policies that have been shown to be successful in reducing alcohol harm?
Dr Meier: Absolutely. There is quite a lot of evidence on minimum purchase age and the enforcement of minimum purchase age, so making it more difficult for underage and also intoxicated persons to get access to alcohol. There is good evidence on some of the availability issues such as licensing hours and outlet density. There is not very much in terms of cost-effectiveness, so far as I know, but certainly effectiveness research which demonstrates that if you restrict trading hours then usually you see consumption and harm going down.

Q288 Sandra Gidley: Are you saying that reducing trading hours in supermarkets would be a good idea? We have 24-hour supermarkets and 24-hour garages now which sell alcohol.
Dr Meier: In the UK it is slightly more difficult because a lot of the research especially on the trading hours is international research rather than UK research, or the UK research I am aware of in terms of the recent Licensing Act, and it is not as conclusive. There is some evidence that we will see a displacement of crime and whatever, but there is not a really clear relationship between the changes in trading hours which is probably due to the fact that affects pubs and not supermarkets. That is the international evidence. Drink-driving laws say lowering blood alcohol content levels. We have got one of the highest ones in the UK amongst European states and those states that have lowered it to 0.5 rather than 0.8, or 0.2 even, have seen drops in drink-driving related problems. Having a lower BAC level for young drivers, novice drivers, is also usually seen as cost-effective. What is less cost-effective or effective as a policy is school-based education, the public service messages, basically counter-advertising warning of the risks of alcohol and also the warning labels on product labelling generally has not been very well supported as an effective policy by recent evidence.

Q289 Sandra Gidley: Have there been countries where that has been universally adopted because here it is voluntary and about 30% of products do not have any warnings on them at all?
Dr Meier: There have been countries where it has been adopted and has produced changes in awareness or knowledge of the limits, but there was not any demonstrable effect in terms of harm reduction.
Ms Rabinovich: I am not sure if you mentioned taxation, but probably the largest body of evidence on effective interventions is on taxation and the consensus is that an increase in taxation where it leads to significant increases in price can have a very important effect in terms of reducing consumptions and harms.

Q290 Charlotte Atkins: I would like to pick up on that taxation point. What effect would "stepped taxation" have on consumption where, for instance, there is a higher tax on beer with more than a 4% alcohol by volume rating or, indeed, for wines which have a higher alcohol by volume rating as well? Does stepped taxation impact on consumption in any real way?
Dr Meier: Absolutely. Linking taxation to the strength of alcohol in the product is a very good idea in public health terms. Basically higher strength beverages do get more expensive compared to lower strength, so having an incentive to consume lower strength beers and wines, and that would certainly counteract the current trend towards stronger and stronger beers, and some countries have seen that. For example, Australia, after introducing tax relief for lower strength alcohol has seen the popularity of that increase by quite a lot. There are things that you can do with taxation to provide incentives to go for lower strength alcoholic beverages.

Q291 Charlotte Atkins: Which countries have been most successful in adopting that approach?
Dr Meier: I am only aware at the moment of research from Canada and Australia. There may be other ones but, as I say, the literature on pricing and taxation is absolutely huge.

Q292 Charlotte Atkins: Based on your research, what system of taxation would you recommend? Would you prefer a taxation approach to a minimum pricing approach? What would your advice be?
Dr Meier: We have been specifically asked not to look at taxation. We have modelled general price increases, which is not the same as taxation. General price increases are actual increases to the product price rather than taxation where the pass-through to product price may not be a one-to-one pass-through everywhere. There is some concern that supermarkets may be able to absorb some of the tax rises, for example. We do not have the data. We have not been asked to look at taxation, so it would be difficult to say from our modelling what the right taxation would be. From what we have seen on minimum pricing generally, having something that works on the basis of alcoholic strength seems to be a good idea. We would assume a similar effect if you went for taxation by ABV, but that is based more on the international evidence than our own work.
Ms Rabinovich: There is a little bit of evidence coming from the US but it is focused mostly on the on-trade where pass-through rates for increases in taxation were higher than the actual increase in taxation, so the price went up by more than the increase in taxation. That was in the on-trade and it was only in the US. There is very little evidence elsewhere of what the effect would be in terms of pass-through rates, especially in the UK where off-trade consumption is so important.

Q293 Stephen Hesford: Do liberal licensing laws encourage people to drink more?
Ms Rabinovich: There seems to be some evidence that it does insofar as where it increases opening hours and outlet density international evidence seems to suggest that this encourages people to drink more so consumption and harms go up. I cannot say very much about what happened in the UK, for example, where those things did happen. Petra mentioned before about existing research being inconclusive and not terribly clear within the UK context in particular.
Dr Meier: It is probably important to see that availability works in two ways. One is in terms of making it easy for people to get hold of alcohol around the clock or in terms of walking distance, outlet density. There is also possibly a cultural signal that at the moment we do not understand very well, there is very little research. If you change the availability of alcohol towards making it more available, is that a signal for especially young people about the acceptability of drinking. That is something that is in urgent need of some proper scientific research.

Q294 Stephen Hesford: In terms of comparative studies, how do our licensing laws compare with the continent, for example?
Ms Rabinovich: We did not do a comparative analysis and did not really look at licensing laws that much either. Because there is very little evidence from across the EU on what licensing laws are in all 20 countries that we looked at, I cannot say where the UK ranks compared with the other countries. We know there are countries that have less stringent licensing laws. For example, in some places in Spain and Austria up to the early 2000s there was no licensing for on-trade or off-trade whereas in countries like Sweden and Finland licensing laws are much stricter. They are still stricter even though they have been relaxed over the last couple of decades.

Q295 Stephen Hesford: Just in terms of that narrow inquiry, what can you learn from that? What goes on in those different regimes in terms of harms, availability and those sorts of issues?
Ms Rabinovich: It is really hard to say. For example, in Scandinavia, about which a lot of research and information is available, what happened with alcohol policy was it all became more liberalised over the years, so it was not just changes in licensing. We do not know exactly the attributable proportions.

Q296 Stephen Hesford: You cannot break it down or you have not broken it down?
Ms Rabinovich: No, we have not.

Q297 Stephen Hesford: In your view, from what you have studied should supermarkets and pubs be banned from using price promotions on alcohols, like happy hours and stuff like that?
Dr Meier: We modelled the effect, not to say should they or should they not, of having restrictions on price promotions or a total ban. What I have to say about that is that assumes no change to general trading practice, so assumes that supermarkets would not then just opt for everyday low prices. Assuming they were not able to shift to everyday low prices and you had a ban that worked as intended, that would be about comparable with the 40p minimum price in terms of the overall effectiveness in terms of health and crime harms. That is just to give you a bit of a comparison on what total ban on off-trade promotions would look like.

Q298 Stephen Hesford: Are you saying that in terms of Dr Stoate's questions before about a 50p minimum price that the two would have to go hand-in-hand with banning price promotions?
Dr Meier: We have got a concern that if you just banned price promotions it would be very easy to circumvent by making the normal price drop. If you wanted to play devil's advocate you might end up with lower prices if you just banned promotions and did not do anything else. It could be an effective policy if it was in combination with something else.

Q299 Stephen Hesford: Would that be true for all markets, supermarkets, pubs, or would one be more differentially affected than others

Dr Meier: To be honest, I do not know. I assume because pub promotions are more on the basis of happy hours and not time-based promotions which run over a very long time it would be less likely that pubs would respond by lowering their everyday prices but, to be honest, I do not know. That comes under what I said before, that modelling the supply side responses to any of these policies is incredibly difficult.
Ms Rabinovich: There is a very small number of countries that we know of in the EU that have banned sales below costs in the off-trade and some on-trade promotions but there is no evidence about what the effect was. This is still an area that requires further research.

Chairman: Thank you very much. We will see if we can find the CEBR study. We do know what it stands for as well. We may want to share that with you, Petra, so we can have your views on it if we do find it.

Q300 Stephen Hesford: Did you say that ASDA had done something?
Dr Meier: Yes, saying that the evidence on the link between pricing and consumption was very weak, which surprised us.
Chairman: We may pursue that as well. Could I thank both of you very much for coming along and helping us with this inquiry this morning. Thank you.

Witnesses: **Mr David North**, Community and Government Director, Tesco; **Mr Jeremy Blood**, Chief Executive, Scottish and Newcastle, British Beer and Pub Association; **Mr Jeremy Beadles**, Chief Executive, Wine and Spirit Trade Association; and **Mr Mike Benner**, Chief Executive, Campaign for Real Ale, gave evidence.

Q301 Chairman: Good morning, gentlemen. Could I thank you for coming along and helping us with this inquiry. This is our third evidence session on our inquiry into alcohol. For the record, could you give us your names and the current positions that you hold?
Mr Benner: I am Mike Benner, Chief Executive of CAMRA, the Campaign for Real Ale, a not-for-profit consumer group.
Mr Blood: I am Jeremy Blood. I am Managing Director of Scottish and Newcastle UK, a leading brewer in the UK, but also a pub owner.
Mr Beadles: Jeremy Beadles, Chief Executive of the Wine and Spirit Trade Association.
Mr North: I am David North, Community and Government Director at Tesco.

Q302 Chairman: I have got a question for all four of you. I recognise that with four witnesses this has a tendency to go on in terms of time, so we will ask specific questions to one or two of you and we will try and keep to the timetable if that is at all possible. I do not want to shut you up, of course. Do you accept that this country has a problem with alcohol or are we just really witnessing the latest "moral panic"?
Mr Benner: Have we got a problem with alcohol consumption? No, I think that alcohol consumption per se can have—

Q303 Chairman: I was asking about alcohol in general.
Mr Benner: Alcohol consumption can have a positive benefit in lots of people's lives. Moderate consumption of alcohol has been shown from a number of sources that it can have some health benefits. Clearly there are problems with excessive consumption of alcohol and that does lead to problems with crime and disorder. That would be my view. I think moderate consumption can be a good thing for lots of people.

Mr Blood: Yes, the way the alcohol culture operates in the United Kingdom does lead to some areas of misuse and those are well documented and we need to address those. My commercial enlightened self-interest—I hope it is enlightened—is that we want a sustainable market for our products in the future, so for us it is important that we address and recognise where alcohol is misused and the problems it causes.
Mr Beadles: Without doubt we have had an issue with problem drinking within the United Kingdom for many centuries, if not thousands of years. It is a cultural thing and a problem that we seriously need to tackle. I do think that some of the coverage over the last three years has been very high profile and I do not think there is enough understanding that consumption levels within the United Kingdom have been dropping since 2004 and binge drink statistics have also shown a drop since 2000 and 2002. We need to understand why consumption is dropping and how we can build on that and, therefore, how we can tackle problem drinking.
Mr North: I would start from the position that most people purchase alcohol and consume it responsibly, and we see in our shops that is the case. Most people buy alcohol as part of their weekly grocery shop and then consume it responsibly. I take Jeremy's point that some of the trends are helpful, however I would say in reading the reports that the Chief Medical Officer and others have produced that there are worrying trends and also issues that need to be addressed in terms of deaths from alcohol related causes or abuse, whether that is in a social or personal setting.

Q304 Chairman: Do you accept that alcohol is a potentially dangerous product?
Mr Blood: Yes, that is why you need a licence to sell it.

Q305 Chairman: So it should not be sold in the same way as eggs or bread?

Mr Benner: I think that is absolutely right. It is not comparable to baked beans or washing powder, it is a regulated product and, therefore, needs to be controlled, which is why minimum pricing could be a way of achieving that.

Q306 Chairman: Does anybody else have a view?
Mr Beadles: I would not disagree, it is a licensed product, it has a huge level of regulatory framework around it and there are 35 pieces of legislation that relate to the sale, consumption and misuse of alcohol. I think it should be seen in that regard. We have to be wary of demonising the product. The majority of consumers enjoy alcohol responsibly and the majority of producers produce fine products that the consumers enjoy.

Q307 Chairman: David, you do not have direct responsibility within Tesco for alcohol, but what is your view about selling it in the same way as eggs and bread?
Mr North: I would agree with others that it is not sold in the same way as eggs or bread, and nor should it be. If you were to come into our stores obviously you cannot purchase alcohol if you are under-18. If you come down the alcohol aisle of one of our stores you will see that we put a lot of information so that the customer can be aware, and I would say better aware, of the consequences of abusing alcohol.

Q308 Sandra Gidley: What information? If I go down the drink aisle in any supermarket, and it is not just the drink aisles, it is as you go in and halfway through the store, the information is all about, "This one is nice and fruity, this one is dry", and all the rest of it. I have never seen any health information. Are you saying that Tesco now puts health awareness information in their alcohol aisle?
Mr North: Absolutely. I was in a number of our stores yesterday and you can see point of sale information very visibly every few feet in the alcohol aisles that, for example, tells you the Chief Medical Officer's recommendations on alcohol intake. It will also tell you, for example, that it is good to drink water alongside alcohol and that you should space your consumption.

Q309 Sandra Gidley: How recently is this?
Mr Beadles: Can I step in and say that the Wine and Spirit Trade Association working with the Drink Aware Trust, which is the industry-funded charity, developed point of sale materials which reflected the Chief Medical Officer's health advice and also gave sensible drinking tips for the industry. They were produced towards September and have rolled out in a number of stores. They are not in every store yet, there is no doubt about that, but there are a number of store groups that have developed them. It is an ongoing process and we will be building it. I would be very happy to send copies to the Committee so you can see them.

Q310 Dr Stoate: Can I just ask Tesco how much money you put into the Drink Aware Trust?
Mr North: I do not have the number.

Q311 Dr Stoate: Could you provide it for us, please, it would be very useful?
Mr North: Yes, of course.

Q312 Chairman: I have a local Tesco but it does not have just an alcohol aisle. Going back five or 10 years most supermarkets had an alcohol aisle but many of them do not now, they put alcohol at the ends of aisles that sell many different and varied things, do they not?
Mr North: Most of our alcohol is sold on the alcohol aisles and there are usually one or two aisles in the store.

Q313 Chairman: You fall over promotions when you walk into some supermarkets. With the size of supermarkets nowadays it could be 100 or 200 metres away from the alcohol aisle.
Mr North: Yes. You are absolutely right, Chairman, some alcohol is sold away from the alcohol aisle. Almost always those will be promotions, particularly around particular celebrations, whether it is Christmas or Easter. At the moment we have a wine festival in our stores so you will see those products sold on our promotion aisles in some cases.

Q314 Chairman: Do you think it is all right to promote alcohol, and I am not saying that Tesco does this but a major supermarket did, at the end of a children's clothes aisle?
Mr Beadles: I do not believe that it is appropriate to sell alcohol and to market it there. In fact, the industry codes on the subject say that alcohol should not be promoted alongside anything that would appeal to children. There will always be instances where store managers get it wrong, and we have dealt with a number of those over the past six months where consumers have complained to us that they think a product has been inappropriately placed, and in all instances we have stepped in and the retailer has removed and changed the product location.

Q315 Dr Stoate: We have a photograph here of a supermarket taken in February 2009 with children's clothing and a huge rack of wine at the end of the same aisle. Obviously it does happen.
Mr Beadles: It does happen. The industry code suggests that it should not happen, that it should not be marketed alongside that, and when consumers make representations to us we take it up with the retailers.

Q316 Sandra Gidley: Is it not right to say that store managers these days actually have very little autonomy, particularly in a large supermarket, because the placement of products is quite a fine art? You are making the store manager a bit of a scapegoat, are you not, by blaming him?
Mr Beadles: I am not intending to make him a scapegoat and that is not what I am saying. In a lot of the instances where we see it the store manager or a member of staff has been replenishing stock and

got it wrong, and we do step in. We had one recently where they had just had a large shipment of teddy bears in and they were trying to find anywhere in-store to put them and one pile had ended up near a stack of beer. A consumer complained and we had them removed straight away. It is not something that the industry believes should happen, but where it does happen then any reference that is made to us is taken up. Licensing officers quite often come through to us on this subject and retailers are very quick to make the changes.

Q317 Dr Taylor: Is it within the code to put huge stacks of cut-price Stella or whatever it is right at the entrance where you almost fall over it and have to walk round it?
Mr Beadles: We do not have any restrictions within our retail codes on that element. It is an issue we have struggled with, to be honest, in terms of wording because of the different store environments. If you have a limitation that says you cannot have alcohol within a five or 10 foot radius at the front of the store, if you only operate an off-licence that means you cannot have any of your product within 10 foot of the front of the store. We have struggled with this issue and I am not sure that we have reached a satisfactory conclusion. It is not something that we have managed to develop any codification on.

Q318 Dr Taylor: So it could be reasonable to suggest that large supermarkets at least should not put their loss leaders, cheap offers, right by the front door?
Mr Beadles: There are certain commercial restrictions in terms of us getting retailers to agree where they can or cannot place promotional activities under the Competition Act, I am afraid. Certainly this is a matter that we have had discussion with the Home Office about.

Q319 Chairman: Jeremy, have you got anything that you could share with the Committee in relation to that particular aspect in terms of trying to get cooperation from some supermarkets and you cannot?
Mr Beadles: To be honest, I think we could get some cooperation if we could write a clause, if we were allowed, under Competition Law to agree where we were able to market things. I cannot get supermarkets to agree where they do or do not place promotional activity. We have recommendations about avoiding theft and things like that, but we cannot reach that conclusion.

Q320 Charlotte Atkins: Can I just clarify something with Mr North? Is it not the case that all Tesco stores have to abide by a centralised weekly direction from the marketing department about where products should be located so there is no discretion by the local store manager about where they can put their products?
Mr North: There is always some discretion on the part of the store manager about where they can put products although, as you imply, the layout of stores is something that has developed over time and on which there is quite a lot of central direction. I would agree with what Jeremy said in reply to a previous question, the very direct question of would we seek to place alcohol either through central direction or a store manager's discretion at the end of a children's clothing or children's product aisle. The answer is we would not seek to do that either through a central direction or, indeed, through a local manager's discretion. Obviously if one is running a thousand or more stores then there may well be regrettable cases where that comes about for one reason or another but we would seek to act on those. On the question about alcohol being sold at the store entrance, that is something we sometimes do, or away from the alcohol aisle. That is something you will see in our stores. Most customers who, as I have said, purchase alcohol responsibly and consume it responsibly actually find that helpful because it is something they can put into their trolleys. I urge that we do not get into the business of thinking that every customer who buys alcohol, whether on promotion or otherwise, is likely to go and abuse that alcohol.

Q321 Charlotte Atkins: Could you just clarify, is it correct that your marketing department does actually issue centralised weekly direction to all your stores? It is a weekly instruction about where products should be placed.
Mr North: Where products are placed in stores is subject to a lot of central direction, yes, that is right.

Q322 Charlotte Atkins: Would that be on a weekly basis or is that more generally monthly or annually?
Mr North: It will depend.
Chairman: I have to say, I suggested to the witnesses that we try and stick to the script a little but that has gone completely awry in the last 10 minutes.

Q323 Sandra Gidley: We hear a lot about voluntary codes and whilst I appreciate that off-licences and very small outlets cannot be told not to display alcohol within a short distance, there is no way they can work round that, most large supermarkets could quite easily adopt a voluntary code on this. Why is the supermarket sector not doing this? Mr North, I think, he is from the supermarket sector.
Mr North: On which specific point, sorry?

Q324 Sandra Gidley: Why do the supermarkets not adopt a voluntary code on not piling them high and selling them cheap at the store entrances when it comes to alcohol? You can actually put the beer at the bottom of your trolley; it is not that difficult.
Mr North: With respect, I come back to the point I made about whether the vast majority of customers purchase alcohol responsibly or irresponsibly, and our evidence is that they buy it responsibly. If one were to adopt that sort of a code we would have to say if you look in a supermarket of a certain size where people on the whole are buying their weekly shop does placing a promotion at a visible point encourage people to abuse alcohol, I think we take the view that by and large it does not.

Q325 Sandra Gidley: It encourages them to buy it otherwise you would not put it there. I am not saying whether it is responsible or irresponsible, but if you accept that the vast majority of under-age access to alcohol is from the stash in mum and dad's garage, the very fact that you are tempting people with these products as they go in the stores and that is the first thing they see, "I'll have one of those", you would not put it there if you did not think you were going to sell a lot more. Put aside for one moment whether it is responsible or irresponsible drinkers buying it, we have an alcohol problem. Why are the supermarkets not coming together with a voluntary code to look as though they are trying to deal with this?

Mr North: I think what we do is try and understand the impact of promotions. As I have said, most customers buy alcohol responsibly and consume it responsibly. In our store young people aged between 18 and 25 do not disproportionately buy alcohol compared to other customer groups. Most customers, and this is looking at alcohol sold on promotion, buy it alongside their weekly food shopping and do not disproportionately buy it on a Friday or Saturday evening, for example. Customers are attracted to promotions and I would not say that they were not. Alcohol, as your previous witnesses explained, remains something that for most people is a significant financial purchase and, therefore, promotions on alcohol are attractive. What we generally see when people buy alcohol on promotion is that they trade up, and I think that is many people's experience, that when alcohol is on promotion they do not necessarily buy at the lowest price point, what they see is an opportunity to try something that is at a slightly higher price point. On your point about how much they then consume, the other thing we see is that when customers buy alcohol from us on promotion and we then track their subsequent purchasing over the following weeks, their purchasing will fall over those weeks. In other words, most people act sensibly, they buy alcohol on promotion, they do use that as a basis for stocking up at home, and then they consume it responsibly over a period of time.

Mr Beadles: The OFT has given us very clear guidance on what we can and cannot agree within a voluntary code. Where we can we have made those agreements. One of the issues that the OFT has advised us on that we have to be very careful about in a voluntary arrangement is the placing of promotional activities within stores. It is a discussion that we have had and the OFT has been very clear with us that there is a line and the placement of promotional activities in stores is a competitive and commercial issue and, therefore, a voluntary agreement on that at this moment in time is something that they advise us not to step over.

Q326 Chairman: What do you think the effect would be of restricting alcohol promotion or otherwise to one aisle as it used to be 10 years ago? What would be the effect on sales?

Mr Beadles: There is some quite interesting work on this. Morrisons has 11 stores in the UK that for historical reasons have got separate alcohol aisles and ASDA has provided some data from Northern Ireland where they have separate alcohol aisles. What we see within those sales is it increases the sale of alcohol. We think the reason for that overall is that people who have to go through a separate purchase experience stock up more. They are inconvenienced by having to go through a separate area and a separate till and, therefore, they stock up more as a result of it. What we see less of is people putting a single bottle of wine in the basket on the way through; what we see more of is bulk purchasing when they go into the separate area. The stores that Morrisons attract outperform the rest of their store network throughout the United Kingdom.

Q327 Dr Stoate: That is completely at odds with the academic research we heard this morning that was told to us by Sheffield University which says if you have alcohol in a completely separate aisle you see reductions in consumption by up to 40%. I find it very difficult to see where you get your figures from.

Mr Beadles: Morrisons and ASDA provided the statistics for the Scottish Government. It is from their sales data. I am very happy to provide it to you.

Q328 Chairman: I would be very pleased if you could do that. David, before we do move on to the script, as it were, you mentioned the issue about people who would buy wherever in your stores and would then buy less over the next few weeks. I assume you know that on the basis of the use of loyalty cards and things like that. Could you share any of that information with us about how promotion affects it? Has anybody looked at it independent of Tesco's? Could it be shared with the Committee where these types of promotions do not, as a lot of people assume, encourage more buying and potentially more consumption of alcohol?

Mr Beadles: We can certainly share data that has been done across the entire industry which shows the people who are most likely to buy into promotional activities are ABC1 consumers over the age of 45 and the people least likely to buy are DE consumers under the age of 28. This has got data about their shopping patterns and how they behave thereafter. That information is in the public domain so I am very happy to provide it to you.

Q329 Chairman: Is there anything in the public domain that shows the effect of promotions? David said quite clearly that if some people are going to buy a three-for-two on cans of beer or whatever, you know that they will buy less the next time they are in. Have you got anything specific around promotions to see what does take place when alcohol is sold in that way?

Mr Beadles: Certainly ASDA, Morrisons, and I think Tesco's, have provided data to the Scottish Government that demonstrates people buy into promotions and then have a longer period before they buy alcohol again. As it is public domain documentation I will provide it to the Committee.

Q330 Dr Stoate: I want to move on to the on-trade and I have a couple of questions for our beer producers and consumers. We have got here a study that shows in one nightclub medium consumption on any night out for men was 20 units and women 13 units. That was on one night out in one nightclub. That is pretty frightening. I will start with you, Jeremy. What is the trade doing to try and encourage responsible drinking within establishments?
Mr Blood: The industry does a lot and has done a lot over the last few years by funding the Drink Aware Trust and looking at education. It is important that educating people about being responsible on a Saturday night means they are not massively receptive to that education, they have got a different headset on, they are out there to enjoy themselves. We genuinely believe that education, information, raising awareness and changing the culture of people about binge drinking is something that should happen with different interventions at different times. We genuinely believe as suppliers and marketers of the product we are not often the best people to do that educating. We lack credibility and people say, "Why are you telling us to drink less when you want to sell more?" It lacks credibility. That is why we set up the Drink Aware Trust. We fund the Drink Aware Trust but it is independent. We are delighted that we have got independent health people working with us on that education message. We are doing a lot there. We do an awful lot in the way we supervise and manage licensed premises. We have done an awful lot on Challenge 21 and Challenge 18 in recent years. I recognise there is still some way to go to improve the performance of the on-trade in that area but I would also claim that there has been a big change in the culture of under-age drinking.

Q331 Dr Stoate: I think you would have to agree that someone having consumed 20 units is likely to be fairly intoxicated.
Mr Blood: Yes.

Q332 Dr Stoate: You also know that it is against the law to supply alcohol to somebody who appears intoxicated.
Mr Blood: Absolutely.

Q333 Dr Stoate: How on earth can a medium drinking level in one club be 20 units when people must be the worse for alcohol and they must, therefore, by definition be served alcohol when they are intoxicated clearly in breach of the law? How do you possibly answer that?
Mr Blood: In recent years there has been a real step change in the amount of education and training of bar staff and licensees.

Q334 Dr Stoate: Yet they are still serving drink in vast quantities to people who are clearly intoxicated.
Mr Blood: It is against the licensing regulations and conditions they have got. At the moment there is very limited enforcement of those regulations. I would see it as a combination of education of our bar staff and licensees and better enforcement. We would strongly support enforcement of the licensing conditions that you should not serve drunk people.

Q335 Dr Stoate: The police need to enforce against the abuses in the industry, is that what you are claiming?
Mr Blood: The right combination is education and information when people are receptive to it; better training and responsible supervision combined with enforcement. All three of those will be the most effective way. There is a role for all participants: the Drink Aware Trust, which we fund, that has the authenticity of being independent; our training and raising our performance in our pubs; and enforcement. That will help everybody behave and perform better.

Q336 Dr Stoate: Can I ask you about "vertical drinking" establishments? What is your view on vertical drinking establishments where effectively the evidence is that people tend to drink more standing up?
Mr Benner: First, I would agree with Jeremy about the importance of education and information. The more information for consumers, the better. I think there is a need for a cultural shift towards more responsible and social drinking. CAMRA has never been a great fan of vertical drinking establishments and there is a problem that they do dominate too many of our high streets. The issue there is that they are usually aimed at that younger high volume drinking group to turn over as many sales as possible and that is often to the exclusion of older people and families. Our interest is clearly about well-run community pubs because the nature of a community pub is that it applies to a cross-section of people and that creates that socially controlled environment where people are more likely to drink responsibly and interact with other people in the community. There have been problems with that. Obviously where there are not enough seats and where there is nowhere to put your drink, it is fair to assume that is more likely to lead to an increased rate of consumption of alcohol in those premises.

Q337 Dr Stoate: So CAMRA is not in favour of vertical drinking establishments as a principle?
Mr Benner: No. We are a consumer group, so we are about choice, and the great thing about the British pubs market is that it is a very diverse market with lots of outlets that appeal to different groups. Nevertheless, I think there is a bit of a colonisation of our high streets at the moment with those particular kinds of establishments to the detriment of community pubs and the communities that they serve.

Q338 Sandra Gidley: I do not know who can answer this, maybe Jeremy Blood or Mike Benner. When you go into vertical drinking establishments, what is the average consumption? We have had figures from one club but what is the average consumption a night in a vertical drinking establishment?

Mr Benner: I do not have that information, I am afraid.
Mr Blood: Vertical drinking establishments, and I do not recognise or cannot categorise which outlets would fall into that category, so it is not that I can tell you it is these 2,000 outlets and this is the average consumption, are very difficult to define. We do not run managed houses so we do not have data capture per consumer of what they do.

Q339 Sandra Gidley: There have been comparisons done with the average consumption of a vertical drinking establishment compared to your more traditional pub which some of us oldies round the Committee here might frequent.
Mr Blood: Sometimes the vertical versus sitting categorisation is not always helpful. For some town centre venues, when younger people go out for what we might call higher energy Saturday nights there would be a higher rate of consumption than if you go out for a drink on a Tuesday evening in your local community pub, but those are choices that consumers make about the mood they are in and what they are looking for when they go out, whether it is a quiet chat with their neighbour or friend or to watch the football or a fun night out in town. To me why people choose to go out drives the different consumptions on an evening, not whether it is vertical or not.

Q340 Sandra Gidley: Surely the industry must have done some research on whether people drink more if they are standing up and there are no chairs. I cannot believe that such a sophisticated industry would not have done that research. If not, you are missing a trick.
Mr Blood: Thank you for the advice. I have been in the business for 20 years and I have never done that research. What I would recognise, and I am not trying to be clever or blasé about it, is the industry does design some town centre venues to suit younger people—not under-age people, younger people—for more active evenings out, and they do want to mix and mingle with a wide number of people, so they do not want lots of banquette seating and small tables, they want a different style of social interaction. Yes, it is a successful and proper way to run town centre venues, but we do not do it to increase the rate of drinking.

Q341 Sandra Gidley: You mean to tell me you are a business and you do not do things to increase the sale of the alcohol. Come on!
Mr Blood: I did not say that. I said we do not do it to increase the rate of drinking. Those pubs are designed in that style to attract those people on Friday and Saturday nights. The vertical nature of it or the open spaces are not done, in my opinion, to increase the rate of alcohol consumption.

Q342 Sandra Gidley: Let me put the question to you in a different way, because I am finding it very hard to believe that nobody in your trade has done any research on this. When a pub has a refurb and chucks out all the chairs and changes to the more modern vertical drinking style, what effect does that have on beer sales? What is the average percentage increase or decrease? Surely somebody has noted those figures in their takings every week.
Mr Blood: Yes, absolutely. If you do a refurb of a pub you would expect a rate of return on your capital, otherwise they would not be refurbished, absolutely, and it will lead to consumption, but your question was, "Are you doing it to increase the rate of consumption?", and that is not the purpose. The purpose is to increase the number of customers that you have and make the place more popular. It is not about the rate of consumption, it is about making a place that is attractive to people on Friday and Saturday nights.

Q343 Sandra Gidley: Surely you do not really care as long as you sell more beer. I will be honest: if I had a pub and was selling beer, I would be thinking of ways to increase the takings; it is business. When pubs have had that refurb from one style to another, what is the average change in sales?
Mr Blood: There is no average change, because sometimes refurbishments are successful and sometimes they are not successful; sometimes they can double sales, sometimes they can increase sales by 20%. There is no formula or mechanic for saying if you take out chairs you will increase sales, or if you turn the volume up of the music you will increase sales. Many pubs are more successful for the demographic, the market opportunity in that town centre. There is no formula for doing it.

Q344 Sandra Gidley: So your organisation has absolutely no data on this.
Mr Blood: No data on what happens to the rate of consumption, no.

Q345 Sandra Gidley: Let us move away from rate of consumption. Do you have any data on sales?
Mr Blood: Obviously; yes.

Q346 Sandra Gidley: So what is the effect?
Mr Blood: There is a huge variation.

Q347 Sandra Gidley: Are you able to release some of that data to us so that we can see that variation?
Mr Blood: Yes, on some of our capital investments for a variety of styles, but capital investment in community pubs does prove that the provision there will increase sales and volumes, and if you refurbish a pub it will increase the sales of that pub because it makes it more appealing to more customers.

Q348 Sandra Gidley: I think you are avoiding the point, with respect. Let us try a slightly different tack to see if you have a little bit more idea about this. A lot of pubs offer spirits alongside a pint of lager. Does that increase the rate of consumption?
Mr Blood: No pubs that we have do those styles of promotions, so I do not have the data specifically. Presumably they would not do the promotions if they did not the feel it affected the rate of

consumption. Where people do it they believe that there is a commercial benefit, and that will be related to how much alcohol they sell.

Q349 Dr Taylor: Going on still with you two, I am afraid, to chains of pubs. We are told that Enterprise Inns and Punch Taverns control about a third of all pubs in the UK and that these chains usually require the tenant landlords to source their beers from a particular supplier. Is this a beneficial development?
Mr Benner: Certainly from CAMRA's point of view, we are supportive of the principles of the beer tie. It has worked well for many companies for 100 years or so, and I think if the beer tie was scrapped it would lead to a lot of unintended consequences, not least a struggling environment for the various family brewers in the country that rely on that tied estate system. As you are aware, the Business and Enterprise Committee has recommended to the Government that this issue is referred to the Competition Commission. CAMRA's position on that is that the Office of Fair Trading should carry out a market study to establish whether the relationship between lessees, tenants and the pubcos is fair before we go to what could turn into a two or three-year investigation and all the upheaval that that would cause for the industry and for consumers.

Q350 Dr Taylor: We have all got pictures, probably in country areas, of our own ideal country pubs with the avuncular bearded landlord behind the bar. How effective can landlords be at stopping serving to people who are obviously having too much? I am looking at you really, because I think you are a pub owner yourself.
Mr Blood: I think there are two or three things that they can do: (1) The style of pub they run very clearly determines how successful they are in controlling the environment, (2) it is about good training and good intervention, and I know that many of the pub companies (and I think this is one of the benefits of the pub companies) can develop good training for bar staff and licensees on how to deal with that tricky moment. It is not the easiest thing in the world to say no to someone to serve a drink, and I think all the pub companies have got very good training and are learning from the repeated experience of that training as to how to train people and give people the confidence to say no to somebody.

Q351 Dr Taylor: Would it be another advantage of these companies that, if there is a pub that is turning out drunks left right and centre, they can actually get rid of that landlord?
Mr Blood: I do not think they can get rid of that landlord under the terms of most leases. It would require action from the enforcement authorities. If one of our landlords, under the lease arrangements we have, falls foul of the licensing regime and that is picked up upon, then we can act on it, but we cannot act on it on our own opinion because that would give us carte blanche as pub owners to say, "We do not like you. We do not think you are doing it properly", and take away their business and pass it to somebody else. So it is important for the individual lessee that the judgment of whether he is a fit and proper person to run a pub falls with the licensing authorities rather than with us. Again, it is one area where I would argue that stronger and better enforcement would help the industry.

Q352 Dr Taylor: But they could at least take note of the problem.
Mr Blood: Absolutely. All the time we will talk to people about neighbourly complaints and how they can change the style of the way they run their business, but we cannot kick them out, because that would be wrong.

Q353 Dr Taylor: Is it fair to blame pubs for the increasing violence in town centres?
Mr Blood: No, it is not right to blame pubs. You should blame the individuals who are drunk and violent.

Q354 Dr Taylor: Is there evidence to say that more of those come from nightclubs, illicit drinking in parks, than actually in pubs?
Mr Blood: Again, if you do research about how people spend their evenings, people will probably drink at home, they maybe go to a pub, they maybe go to a nightclub and then at the end of the evening have an accident, have a fight, or something like that. As I say, it is quite hard to determine which behaviour led to the anti-social behaviour.
Mr Benner: There is evidence from Liverpool, John Moores University, on preloading, that groups of young people, as much as 50% of those groups, are likely to drink at friends' houses or their own houses to save money, because of the huge price differential between on and off-trade, before they go out on the town.

Q355 Dr Taylor: Do you think the licensing law liberalisation has made any difference to the safety of town centres?
Mr Benner: No, from my position, I think that it is a bit of a myth, the 24-hour licensing idea. My understanding is that the average time that a licensed outlet has stayed open following the new Licensing Act is 21 minutes. I think it is not responsible for the problems that you read about in some newspapers.

Q356 Chairman: Can I ask you a bit further on that, Mike? Do you think that, probably over the last two decades now, when you have wanted to build something that you would call entertainment (and they may not have alcohol in them) that they have been directed to town and city centres in part because they could not disturb, even in urban seats like mine, the rural nature of villages? I have had them turned down, where they wanted to put nightclubs in big pubs that were running out of customers, because of the changing culture in my constituency, and that has been refused on the basis that they can only go into town, and town centres and city centres are where these bigger drinking establishments are being put now, not by licensing law but by planning law. Would you agree with that? Have you ever looked at this?

Mr Blood: I think in many cities and towns the "night-time economy" is a well-used phrase and planners do want to focus that style of entertainment in certain parts of towns. There is also a network effect where, if you are running that style of outlet, it is helpful to be near other outlets that have that style as well because people like to go to more than one of those venues in an evening. So there is a network effect, there is a planning effect and a view from many cities that they want to encourage the night time economy. Several of those features I would recognise in the way that the on-trade has developed in the last 15 years.
Mr Benner: In the mid 1990s there was an obsession that we could create a cafe society in Britain, and that led, I think, to too many new establishments opening up in town centres, but, of course, you cannot really have that cafe society if it is too cold and it is always raining, so it did not quite work, and I think that was to the detriment of other licensed premises, possibly around those town centres, which are more community based.

Q357 Dr Naysmith: Mr Beadles, why do you think the size of wine glass servings in pubs and restaurants has increased significantly in recent years?
Mr Beadles: There is data that shows that the standard measure in the pub trade is a 175 ml glass rather than a 125 ml. I think that varies greatly from region to region. There are lots of more rural parts of the country, certainly in the north of England, where a 125 glass is still prevalent. In city centre establishments we see more 250 ml glasses prevalent, and I think that that has been a move in a lot of city centre establishments because that is what consumers have wanted in terms of not wanting to return to the bar. I think we are seeing a trend more recently in terms of people buying a bottle of wine to share and, therefore, the size of the glass is not relevant at that point: you buy a bottle and four glasses. Our perspective is very much that consumers should have a choice of a 125, a 175 or a 250 ml glass. They should not have a choice of glass; they should have a choice of measures. I do not advocate that we should all have to buy new glasses but, I think, a different measure of wine.

Q358 Dr Naysmith: You think it is in response to consumer demand.
Mr Beadles: Yes, I do.

Q359 Dr Naysmith: Although there is lots of evidence that some people say they would rather have a small glass, the 125 glass, why is it that in some establishments they do not provide 125 ml glasses?
Mr Beadles: As I say, I think they should. I think that the establishments should provide 125, 175 and 250 measures and give consumers a choice.

Q360 Dr Naysmith: Why do they not?
Mr Beadles: Because I think the market has moved in that direction. There are not that many consumers that I am aware of that have been asking for smaller glasses, but I think that consumers should have the choice and be able to make their own decisions about these things and should be aware of the size of the glass that they have got.

Q361 Dr Naysmith: What happens in most establishments is people go up to the bar and say, "A glass of red wine." Most people do not know what size they are getting until they have got it in their hand. Actually there is very little to suggest that, if you want a smaller measure of wine, you should ask for a smaller glass but in some establishments, when they do, there is not one available. Do you think that this increase in the size of glass has had any harm on public health?
Mr Beadles: I do not know whether it has had any harm on public health. I do not know what the relationship there is. I am in a slight difficulty in answering this question as I do not speak on behalf of the pub industry, I speak on behalf of the wine industry, not the people who are serving it within the pub industry. Again I go back to my point, which is that I do believe as consumers we should have the choice of a small, medium or large glass.

Q362 Dr Naysmith: And it should be made quite clear that the different sizes are available?
Mr Beadles: Yes. I do not advocate more glasses, I am advocating measures, because I do not believe we should all have to go out and buy new glasses.

Q363 Dr Naysmith: What do you think about this, Mr Blood?
Mr Blood: I think that people are drinking a lot more wine at home and getting used to pouring themselves a glass of wine at home, and when people are at home the glass they pour tends to be much closer to the 175 size than the 125 that was the tradition in pubs. There has undoubtedly been a change from the norm over the last 15 years. Obviously pub retailers benefit from that, they sell more and they get a higher price. It has been in the interests of the pub industry to support that consumer drift. I think now the most responsible way that we should move forward, as Jeremy has said, is that we need to look at ourselves and start selling the three different sizes and giving people full choice.

Q364 Dr Naysmith: Mr Beadles, you probably know quite a lot about community alcohol partnerships, and the one at St Neots has got quite a lot of praise recently.
Mr Beadles: It has.

Q365 Dr Naysmith: What lessons do you think we can learn from that?
Mr Beadles: I think we can learn a lot of lessons. I would, firstly, like to say that that was a small pilot project—the numbers from it are great, but it is a small project with numbers that are on a short timescale—but from that we are really rolling out at great speed into different parts of the country. The one we are most excited about is in Kent, where we have a partnership with Kent County Council and Kent Constabulary. We are extending the remit

beyond simply looking to tackle under age sales and under age drinking and looking to tackle more of, I suppose, the 18–24 drinking categories. Particularly in Canterbury, we are linking up for the first time with the on-trade, which we are very excited about. So we are putting this altogether. What we think we are developing is not a silver bullet, but we think it is a solution that can work. It needs to be tailored to every single circumstance. For example, we have got one going in the Isle of Wight. The Isle of Wight market place is radically different from some of the towns in Kent, and they have got different issues and different problems, and so we have to come up with different solutions, but what it does is it brings the businesses, the police, the local authority, health, education together along with the community and the community themselves get involved in (1) identifying what their particular problems are and (2) coming up with the solutions, and then the different partners put the solutions to work. I think what it does is it builds up a trust element between business and the police and trading standards authorities in particular. In Kent we are looking at educational pilots and working in schools; so we are linking up in schools in Kent. I think that is a huge step forward. I think we need to concentrate much more in this country on the quality of standard of alcohol education we give to young people in schools, and we are making the link back to the parents. A lot of the time you have got kids trying to buy alcohol in stores, they are drinking in parks and things like that: some of the time the parents are aware, but a lot of the time they are not. I think we need to make the link back to those parents, and we do that with the schools as well so that we are beginning to get this working. As I say, we are very pleased with the progress that we are making. We now have about nine of them rolling out in different scales around the country, and we have got more planned. Croydon are announcing this week that they are going to do a community outlook partnership in Croydon and Canterbury University are going to be tracking the data in Kent so that we have got a proper academic study that backs the success of the project.

Q366 Dr Naysmith: Some cynical people would say that this is just a bit of public relations to try and pretend that you are doing something about the problem. I am not saying that; I am just asking what your response would be if you were asked that question.
Mr Beadles: I think businesses have got some serious skin in the game. PR is great, but actually we have got some serious skin in the game. If you lose your licence, if you are a small business you are probably out of a job and you will be making your workforce redundant; if you are a large business, a superstore losing its licence could equate to 10 or 15 million pounds worth of sales over a six-month period, so substantial skin in the game. For us a lot of it is about making sure that we build relationships with the licensees and the police officers to get over that, because we recognise that there are some people in our industry who do not meet the standards that we think they should do, and one of the things that we found working in community alcohol partnerships is that we identify all the businesses in the locality, we ask them all to participate, all the local independent businesses are offered the opportunity to go through training provided for free by one of the major multiple retailers to bring them up to the standard, we will provide them with all the poster materials, et cetera, and get them involved. If at that point they are not prepared to play the game, if they are still selling to kids and things like that, then we ask the police to enforce against them and to take their licence away. So it is a key element to it, it is not just a PR exercise: it is actually about tackling the problems.

Q367 Chairman: Jeremy, is another key element that 129 young people were stopped and searched by the police?
Mr Beadles: It depends what you mean by "stopped and searched".

Q368 Chairman: I am quoting from Cambridgeshire County Council's report on St Neots. Is that a key element? Do we not have that type of law enforcement?
Mr Beadles: When the police refer to "stop and search" in this instance, what they are talking about is going into parks and finding young people with cans of beer, cider, wine and taking the alcohol off them and taking them home to their parents. In this instance, that is what the police are referring to in terms of "stop and search". I am very happy to provide the committee with confirmation of that, because it is a question that has been raised with me in another venue about how the police have used this terminology. This is not about shaking down young people in the streets in that kind of way.

Q369 Stephen Hesford: To Jeremy really and to David. In terms of your contribution to the Drink Aware Trust, how much you give them a year and stuff, do you know off the top of your head how much you do pay?
Mr Blood: I do not know off the top of my head.

Q370 Stephen Hesford: Do you know what your advertising spend is, your marketing spend?
Mr Blood: Yes.

Q371 Stephen Hesford: What is that?
Mr Blood: Obviously, it is commercially sensitive. We do not publish it as a figure, but it is in excess of £50 million.

Q372 Stephen Hesford: In terms of your contribution to the Drink Aware Trust and in terms of the £50 million, what relationship between the two figures, roughly, might there be?
Mr Blood: The Drink Aware Trust per annum is one or two million, a much smaller quantity.

Q373 Stephen Hesford: Drink Aware Trust: one or two million. Advertising: 50 million. Do you think that is responsible? Is it proportionate?

Mr Blood: As a business we collect over a billion pounds in excise revenue; so our advertising spend compared to our revenue collection for excise is hugely disproportionate as well. I am not ashamed of the numbers, but I do not think they are comparable. I do not think they sit side by side.

Q374 Stephen Hesford: You are comfortable with that?
Mr Blood: Yes.

Q375 Stephen Hesford: David, the same question. I think you said you did not know before.
Mr North: It is somewhere around £75,000, I believe.

Q376 Stephen Hesford: Seventy five thousand pounds; and your advertising spend on alcohol promotion?
Mr North: I do not have the numbers on advertising spend.

Q377 Stephen Hesford: Roughly?
Mr North: I am afraid I do not have the numbers.

Q378 Stephen Hesford: Can you supply them to us?
Mr North: I can supply them to you. The comment I would make, though, if I can, is that I am not sure that I would measure our approach to trying tackle the problem of—

Q379 Stephen Hesford: No, but it is our inquiry. We might.
Mr North: But I do not think that the amount that we pay directly to the Drink Aware Trust is a measure of our commitment to tackling alcohol harm.

Q380 Stephen Hesford: Seventy-five thousand pounds in a multi-billion pound company is tiny, almost derisory, do you not think?
Mr North: I have explained to the committee what we are doing. All of our own brand alcohol is labelled with the Department of Health's recommended labelling. I have explained that we have "point of sale" information that is intended to encourage safe drinking. We train our staff a great deal. We have had a policy called Think 21, Challenge 21 as the Government and others call it. We are extending it over the course of the coming weeks to Think 25, so that we are going to be asking our staff, and training our staff again, to challenge everybody who they believe is 25 and under and ask them "Can you prove that you are 18?" We are also very committed to the community alcohol partnerships that I think, for the first time really, start to address some of the key underlying issues here about how we raise awareness among young people and among families about what levels of alcohol consumption actually cause harm. Indeed, one issue that I think as a society we should be very clear on, is what is the legal age of drinking. In many cases people do not understand that. I am afraid I think that measuring our direct commitment to the Drink Aware Trust as a facet of our commitment to this issue is wrong.

Stephen Hesford: I think you protest too much. I think I have hit a nerve. What do you say?
Chairman: Can we move on!

Q381 Stephen Hesford: You said before, David, that your evidence is that your customers behave responsibly in relation to alcohol. What evidence do you have for that? Why do you know that?
Mr North: We do a lot of customer research, both through our Clubcard and directly in conversations with customers and through focus groups.

Q382 Stephen Hesford: Can you supply that to us, your focus group work, that enables you to say with confidence that your consumers behave responsibly?
Mr North: Yes. We have summarised that in the evidence.

Q383 Stephen Hesford: I know you have, but could you supply some of the raw data to us?
Mr North: Yes.

Q384 Stephen Hesford: Jeremy, you said before that the OFT warned you away from some kind of voluntary agreement about marketing and where you place things? Can you supply us with the correspondence with the OFT which actually sets out that they were telling you, basically, not to come to this voluntary agreement?
Mr Beadles: We can supply the correspondence which sets out the conversations that we had with them about the lives that we could get to, and we can also supply advice from our own lawyers. A lot of the time the OFT ask us to take our own advice on this; so we are happy to supply that.

Q385 Stephen Hesford: Minimum pricing. This is for everyone who wants to come in on this. The Sheffield report on minimum pricing, especially in relation to elasticity of demand for alcohol, Jeremy Blood: do you accept the findings of the Sheffield report? Would you be in favour of minimum pricing?
Mr Blood: We are not in favour of minimum pricing. I have read the Sheffield report. It draws conclusions about affordability and price. We accept some of the conclusions. Other independent economic advice draws slightly different conclusions from it. As with all research, there is a range of conclusions that can be drawn from what is a complex set of data. Why do we, in principle, not support minimum pricing? We believe that where misuse is happening and where people are drinking more than is good for them or using alcohol in the wrong way, those are the people that will not change their behaviour if you apply minimum pricing, they will carry on misusing, and you will not address the proper concerns that society has got about the misuse of alcohol through that blanket approach.

Q386 Stephen Hesford: Do you not accept that there must be, like any product, some kind of relationship between price and consumption?
Mr Blood: Of course, there is price elasticity. Yes, of course there is.

Q387 Stephen Hesford: In relation to tobacco, for example, if you increase the price of cigarettes, demand tends to go down, consumption tends to go down, and that is a well trodden public health path. What is the difference between that well trodden public health path and alcohol?
Mr Blood: Most people who use alcohol use it responsibly and it does not affect their health or damage it. If you use minimum pricing ,or pricing, as a way to drive down consumption, in our view you are not addressing the people who are misusing alcohol, you are addressing the majority of people who are using it responsibly, so you are not addressing where the problems lie. We would much rather see action to address where there are problems from alcohol.

Q388 Stephen Hesford: The other Jeremy, in relation to the Sheffield report.
Mr Beadles: We take the same view, and we think there are other economic studies by CeBR and Oxford Economics that I think should be taken into account by this committee. We certainly take the view that the people who misuse alcohol are the least responsive to price changes. We do not argue at all that there is a relationship between price and consumption, but we do think that there is a lot of evidence to suggest that there is not a direct link between price and alcohol misuse. If we look at the pricing of alcohol across Europe, there are ranges of different levels of pricing which do not accord to alcohol harm. We actually have a very high duty rate in this country already, and the average price on alcohol in comparison to our European neighbours is very substantially larger. The average bottle of wine in this market costs £4.20; the average bottle of wine in France costs £1.40. We are not convinced that there is any relationship of that nature. Evidence from around the world where pricing mechanisms, taxation mechanisms have been used—because actually minimum price has never been introduced on a national basis—suggest that it can affect consumption but it does not affect misuse.

Q389 Dr Stoate: We have heard evidence this morning, which has been peer reviewed and is academically based, that if the minimum price per unit were 50 pence it would save 3,000 deaths a year. Are you saying that is complete rubbish? I think that is a pretty compelling argument, and it has been peer reviewed, backed up by many academic studies. We think 3,000 deaths a year with a minimum price of 50 pence per unit is quite compelling, but you do not agree with any of it?
Mr Beadles: I would like to reduce the number of alcohol-related deaths, but I do not agree that introducing a minimum price would have that direct effect.

Q390 Dr Stoate: You totally dispute the evidence that we have heard this morning.
Mr Beadles: Yes, I do, because I think the basis on which it is made is that people who misuse alcohol drink cheaper drinks than people who are moderate drinkers—we are not convinced that that is the case—and that they, as a result of a price increase, would stop drinking or would reduce their drinking—again we are not convinced that is the case. Therefore, we are not convinced that there is a direct run-through between pricing going up and those people who drink to excess reducing their alcohol consumption.

Q391 Dr Stoate: That is bizarre. We know that those resistant drinkers are less responsive to price but, nevertheless, they are responsive to price and, because they drink so many more units, they actually end up with a bigger drop in consumption than moderate drinkers.
Mr Beadles: There is no doubt that if you get to any level on price you will create a responsiveness. I do not believe that 50p a unit would have that responsiveness. I have no doubt that if you got up to 80, 90, one pound a unit, you would have a responsiveness in terms of behaviour but, also, at that point the moderate consumer would be seriously punished for their drinking.

Q392 Stephen Hesford: To David. In terms of minimum pricing, we have heard that some supermarkets and other organisations in principle would not mind a minimum pricing arrangement. What is Tesco's attitude to that?
Mr North: I was here this morning to listen to the evidence from the Sheffield researchers and I thought they made a very clear case that an increase in price could have a substantial impact, both in terms of reducing consumption and, indeed, in terms of targeting those who are at most risk of causing harm to themselves, or more widely. Our position for sometime now has been that we are very prepared to play an active and constructive role in discussions on minimum pricing or, indeed, the whole issue of pricing. What we have said is two things really. One is that for action on price to be effective it has to be done across the industry rather than on a unilateral basis, but, second, for reasons of competition policy, competition law, this is not something, frustratingly, that the industry can lead by itself: those discussions have to be led by government. Reading what the Home Office said yesterday in their Draft Mandatory Code, they said that is not something they will pursue for now. So there seems to be some gap between what the Government is saying on this and the evidence that the Government commissioned through Sheffield University. The Government has, however, said that they want to continue to gather evidence on this. I think I would reiterate what I said, which is that on this issue we are prepared to play a constructive part.

Q393 Stephen Hesford: So, in principle, you are not against it, but you think it needs more discussion as to how we get there.
Mr North: I think I would find it difficult to dispute what the researchers have said in terms of the relationship between price and consumption and potentially on to alcohol harm. I think there clearly has to be a balance struck, and it seems to me this debate is about the balance to be struck between

targeting intervention at a level that focuses on those who are causing harm and that does not disadvantage what the Government has referred to as "a sensible majority". So I think that debate does have to continue and, yes, we will play a constructive part in that.

Q394 Chairman: Mike, could I ask you on that: could minimum pricing save the Government?
Mr Benner: Pub beer prices over the last 20 years have increased by over 140% compared to increases over the same period in the off-trade of 39%. So the price differential between on and off-trade is widening and, of course, that is shifting consumption towards the off-trade and outside the regulators' environment of the pub. So we are supportive of a minimum pricing structure that would stamp out loss leaders and, therefore, make it more attractive for people to drink in pubs.

Q395 Chairman: You think it would?
Mr Benner: I do think it would. I think the price ratio at the moment is about five to one. If a minimum price of around 40 pence was introduced, that would make the ratio about three to one. Therefore, I think that is enough for there to be a shift in consumption towards drinking in community pubs.

Q396 Chairman: Jeremy Blood, we heard earlier in the first session about the report that has not been seen yet but tends to potentially undermine the Sheffield report in terms of elasticity of demand of alcohol and the RAND report as well. You alluded earlier to the fact that other studies do not agree with that. Were you talking about this particular study?
Mr Blood: Yes, those are the ones, and we would like to submit those reports as evidence.

Q397 Chairman: Has it been published yet, what you all submitted?
Mr Beadles: I do not think that the full report has been published yet. The summary, I believe, the committee has been sent.

Q398 Chairman: Oh, I am sorry.
Mr Beadles: I know they were very keen to come and give evidence to you.

Q399 Chairman: The one that we waved at you is the RAND one and not the other one, the Sheffield one.
Mr Blood: Yes, that is the one I was referring to. I misled you; I am sorry.
Dr Naysmith: It is the one that has been commissioned by SAB Miller. Is that the one?

Q400 Chairman: I was going to ask who actually paid for this study to be done, or both of these studies, if there are two?
Mr Blood: I believe it was SAB Miller.
Chairman: We will move on to Charlotte.

Q401 Charlotte Atkins: Mr North, we heard earlier from Mr Benner that probably 50% of young people pre-load before they go out to maybe a pub or a bar of some sort. What would you say encourages young people to pre-load?
Mr North: I am not sure I have the answer to that question. It is a trend that I think has developed over, probably, I would guess, the past 30 years or so. It is not a trend that I remember when I was a young person in those sorts of age categories. As we heard from the Sheffield researchers this morning, probably the greatest trend over the past 20 or 30 years in this country in terms of the growing access to alcohol has been growing affluence rather than access directly to alcohol. I suspect that would have something to do with it, that there is more alcohol in people's homes, or whatever, but I am not an expert on that subject.

Q402 Charlotte Atkins: Mr Benner has just been saying that there is a great divergence between the price of alcohol in pubs, which has been going up, and the price of alcohol in supermarkets, which has been going rapidly down. Do you think that has an implication in encouraging particularly young people to pre-load on the basis of either promotions in supermarkets or historically low prices of alcohol in supermarkets?
Mr North: The price of alcohol in our shops and, I think, in other supermarkets has not been coming down, for example, relative to the price of food. I would not want to you think that somehow alcohol prices have, in real terms, come down greater than food prices. Does that contribute to the risk that young people will pre-load? It is a complicated issue about why it is that people choose to drink in their home, choose then to go out and drink some more. I am not sure I would be able to say that price was the primary factor in encouraging young people to do that.

Q403 Charlotte Atkins: Do you think it is acceptable to sell beer more cheaply than water?
Mr North: Again, I am not sure that there is a direct comparison to be had there. I certainly would not want people to reach the conclusion that somehow those were two interchangeable products—they are not—but some bottled waters sell at premium prices and some sell at lower prices. As I think I have already said, we would accept the conclusions that Sheffield and others have reached that the price of alcohol has a bearing on consumption and they have a bearing on those who choose to harm themselves through excessive consumption. As I have said, we are prepared to play a constructive role on that, but this is something that has to be led by government and has to involve the whole industry.

Q404 Charlotte Atkins: So you do not think that the supermarket sector has anything to apologise for in terms of the very low price of alcohol units that are sold via the supermarket aisle or the promotional display?

Mr North: I do not think we would do the subject of tackling alcohol abuse a service by focusing solely on the issue of price, and I think that is what I heard from others who have given evidence. I do think price has a part to play. The retail of alcohol and, indeed, the on-trade are highly competitive sectors on the whole. Like other areas, this is one where competition, I think, has been to the great benefit of the majority of people in this country by making products more affordable particularly for those on low incomes, and that is something that we are very cognisant of as a retailer. But I would accept, as I have said, that there is a linkage between the price of alcohol for a small group of people and the risk of alcohol abuse and, as I said, we play a constructive role on that.

Q405 Charlotte Atkins: Can you tell us what has been your most successful price promotion on alcohol in recent times?
Mr North: I am afraid I could not tell you without notice of the question.

Q406 Charlotte Atkins: Would you say that most of your promotions in terms of alcohol take place at Christmas and in the summer, or is it right the way through the year?
Mr North: Christmas, obviously, is the most important period in terms of promotion. It is a time when people feel that alcohol plays a part in family celebrations, et cetera. As I think I was mentioning earlier, we have a wine festival on at the moment. What that tends to do is encourage our customers to try, on promotion, wines that are generally at a slightly higher price point than they would normally purchase at, and that is something we see in our research: that when people buy a promotion, generally they are buying at a 20% higher price than they would normally buy were that product not on promotion, if you follow.

Q407 Charlotte Atkins: Your margins are not universal, are they? You have different promotions in different stores. Is that correct? You do not have a national scheme whereby you have promotions in every store. You have different promotions in different stores.
Mr North: No, promotions tend to be national.

Q408 Charlotte Atkins: So to suggest, as has been suggested to us, that the biggest promotions are targeted at stores in areas of highest deprivations or in areas where there are more students is not true?
Mr North: I think that would be untrue.

Q409 Dr Stoate: Most of the question has been covered, but you have said, Mr North, quite rightly in our view, that there is a link between price and consumption and ultimately a link between price and harm. I think most people would accept that, and I think you are honest enough to say so. What I would then say is: how do you justify loss leaders now? We find it difficult to understand how some supermarkets are prepared to sell alcohol at below cost. How do you justify that?

Mr North: We do not set out to sell alcohol below cost, and I think most of our alcohol is not sold below cost, most of it is not, indeed, sold on promotion. It is, as I have said, however, a highly competitive sector and customers do find the idea of promotions on alcohol something that is an important part of the way that they shop in supermarkets and elsewhere, and, as I think I have said, most people, most families are purchasing alcohol responsibly and then consuming it responsibly. The question is how do we help those people who are not consuming and purchasing responsibly. I think the whole debate on pricing, as the Government has said, is about trying to strike that balance.

Q410 Dr Stoate: A final point then. Do you believe it is ever acceptable to sell alcohol at below the price of water? There are many examples where, for example, lagers on promotion actually work out per litre less than bottled water.
Mr North: The difficulty, with respect, I have with that question is I am not sure why it is sensible to compare alcohol with water. I do not think we would ever want to make that comparison. I would say that alcohol is cheaper than a lot of products, one of which, in some cases, might be premium types of bottled water.

Q411 Dr Stoate: The reason we are asking it is simply because we want to know whether supermarkets and others are behaving responsibly, and, obviously, in our report we will need to take a view on whether it is responsible for any organisation, effectively, to price something so cheaply that it is almost bound to encourage excess in some people.
Mr North: I do not think the fact that it would be possible to find isolated examples where alcohol is cheaper than premium water is a major contributor to the debate on alcohol.

Q412 Dr Stoate: No, but price is, and that is what we are trying to get to, and obviously we have to compare it to something. There is no point in comparing the price of alcohol with baked beans, but we do believe that it is reasonable to compare alcoholic drinks with soft drinks. We are just using that as an example.
Mr North: Yes, but what we say in our stores and on our point-of-shelf labelling is precisely the opposite of that, which is that customers who consume alcohol also need to make sure that they keep their hydration levels up, et cetera, and consuming water is therefore important.

Q413 Dr Stoate: I will have to look out for these labels. I confess, I have never seen them, and I do go to Tesco fairly regularly. I will look out for them in future.
Mr North: I would be delighted to show them to you.
Mr Beadles: I have found one for the committee. It is a Tesco brand promotion.

Q414 Chairman: Jeremy Blood, can I ask you about this thing in relation to comparative prices between alcohol and other drinks? What about this issue about the cost of soft drinks in public houses being the same as alcohol? Is that something you would agree with?
Mr Blood: As I said, in the business that we run we are leased pubs, so we do not control the retail pricing in the pubs—I wanted to explain that—but, generally yes, a pint of a soft drink can, in some pubs, be comparable with the price of an alcohol drink.

Q415 Chairman: If I go in a pub and I am driving, I would have a soft drink. Do you not think that might encourage people to go for the stronger rather than the less strong, if you are paying the same price? I do not mean people who are driving.
Mr Blood: I think for people who want to drink soft drinks, there is usually a very clear choice why they want to do it and they will buy them.

Q416 Chairman: You do not think if some somebody was offered alcohol at a pound and somebody was offered a soft drink at a pound or 50p, that they would probably go for the latter as opposed to one of those drinks at a pound, alcohol or a soft drink? What would marketing say about that? Would it not say they would be more likely to by the 50 pence drink?
Mr Blood: It goes back to price elasticity again. If you sell products more cheaply you will sell more of them. I would not dispute that if you sold soft drinks more cheaply you would sell more soft drinks in pubs.

Q417 Chairman: Have any studies been done on that at all to your knowledge?
Mr Blood: No sort of controlled public studies, but, yes, retailers will play around with price and if you sell something more cheaply you will sell more of it. I do not dispute that.

Q418 Dr Naysmith: Mr Beadles can start with this but it is really for everyone. For quite a long time now since there has been concern about excessive alcohol consumption, the trade has been interested in voluntary arrangements and voluntary agreements, saying that they want to do something about it. You will all be familiar with the recent KPMG evaluation of voluntary agreements, and they showed extensive breaches of the voluntary code. Why do you think these voluntary approaches fail?
Mr Beadles: I do not think they fail, firstly. I think KPMG actually showed a lot of very good practice. I think the issue with a totally voluntary approach is that it only applies to the people who are in and sign up to it. When we looked at the businesses from an off-trade perspective, which, therefore, would fall within our membership and the producer side and their compliance, their compliance level was very high, but when you are trying to take that voluntary approach down to small independent businesses and people who are genuinely not interested in this stuff, then it is very tricky. I think a voluntary approach has an advantage. It tends to be faster and it gets to the core of big business quicker, but it is not going to ever get overall coverage. Having said that, there is lots of legislation that is not complied with by lots of business as well. So I think voluntary approaches have a hugely important role to play, but you have always got to recognise that there will be some people who sit outside them.

Q419 Dr Naysmith: You are not suggesting that KPMG's findings were those who were not signed up to the voluntary agreements, are you?
Mr Beadles: There were a lot of them who were not signed up to the voluntary agreements. A lot of the businesses they found were not compliant; were not signing up. Any business who is in our membership is operating at that point in time Challenge 21, now moving towards Challenge 25; so any business that was in our membership would have been signed up to that approach. There are businesses who are not in our membership who may not have been signed up to that approach.

Q420 Dr Naysmith: I will have to look at the KPMG report again, but are you saying that none of the breaches, or some of them—
Mr Beadles: No, there were a few, but not substantial ones.

Q421 Dr Naysmith: Why do pubs continue to serve drinks to people who are intoxicated? I know we have touched on this already, but there are voluntary agreements about it.
Mr Beadles: I do not speak on behalf of the pub trade, but the legislation is very clear. There is no voluntary agreement on serving to drunks. The law says you should not serve to someone who is drunk. You do not need a voluntary agreement to sit on top of that. That is the law and, if someone is breaking the law, then the licensing office and the police have the powers to take their licence away.

Q422 Dr Naysmith: Mr Blood.
Mr Blood: That is what I valued before. We have made a step-change as an industry over recent years in the amount of training and awareness of bar staff and licensees. I think if we look at the trading culture six or seven years ago, I do not think it was a focus of attention, not serving people who are intoxicated. We have raised the levels. It is certainly far from perfect, and I am sure that studies could find places where intoxicated people are being served, and that is why we argue for greater enforcement, because I think that combination is the best way to stop drunks being served. I do not think it can be done by one route in isolation.

Q423 Dr Naysmith: Mr North, you earlier, when answering a different question on minimum pricing, sounded as if you would be in favour of a bit more regulation, which is really rather unusual from the supermarket trade, to say we want more regulation, as long as it applied to everyone, I think, is what you more or less said. What do you think of voluntary agreements and their perceived lack of success?

Mr North: I think they can play a part. The best example that occurs to me of a voluntary approach is the community alcohol partnerships, which I think are a very exciting idea. We have taken part in the one in St Neots and are doing so in Kent. I would focus less on the voluntarism than on the fact that this brings together, I think, the right grouping of partners on an issue that is really quite broad—so the enforcement authorities that Jeremy talked about, the retailers, obviously the police, trading standards, schools, youth clubs and charities—and actually tries to get at the heart of some of the real underlying issues, which is do people know what the safe legal age is for drinking, do people know what the right quantity is to consume, et cetera. It also tries to approach the issue in a sensible way, not simply at the check-out or at the bar but in the school and in the home, so that we actually reach something approaching a consensus on this. I would say, on that basis, the voluntary approach has a lot to commend it. The area of pricing, where we said we play a constructive part is one where, for legal reasons, we simply cannot take a co-operative voluntary approach across the industry.

Q424 Dr Naysmith: Do you wand to add anything, Mr Benner?

Mr Benner: I would say that in well-run pubs you are unlikely to get a lot of these problems, but I think what the industry does not need right now is more regulations that deal with something that is already in place. The Licensing Act has already got the powers in place to deal with most of these issues, and that would be best used to achieve that.

Dr Naysmith: I think that is a very good point.

Q425 Sandra Gidley: I do not know who what wants to pick up on this. Some people have suggested that there should be a bigger step in the way that alcohol is taxed, according to the alcohol by volume of a particular drink. For example, when beer exceeds 4% alcohol by volume the tax increases in price, and for wine maybe above 13%. Do you think that is a good idea? Would it make any difference?

Mr Beadles: I can start on wine and say that there are already banding levels in wine. So anything under 8% has a different tax rate, anything between eight and 15 has one tax rate, anything above 15 to 22 another and 22 and above another. So there is a step-change in there. In terms of creating more steps within the wine category, I think that would be incredibly complex. Wine is classified by European legislation as being a product between eight and 15 degrees. A strength of wine is not a pre-determined thing; it is determined by the climate and grape variety of the country that it comes from. Global warming has had quite an impact on wine production and alcohol levels. What we are seeing in the wine industry at the moment, and I have spent the last two days at one of the largest wine shows in the world at ExCel, is actually a rather exciting range of newer lower alcohol wines coming back into style and back into freshness. Certainly all of our consumer research shows at this moment in time that consumers are looking for lighter wines, and I think the industry will drive in that direction as a result. We have produced huge levels of consumer research over the last few years that suggests that is the way the industry should go. I would not be in favour of adding that extra complexity into it. A wine is allowed to vary in alcohol level point five degrees ABV either way, so a 12% wine could be 11.5 or 12.5. They vary from batch to batch because it is a product with natural variations and adjustment If you are buying grapes from South Australia the alcohol content of the grape from one part of South Australia to another part may vary. So there is variation in there. I think you would create huge difficulties for the industry in actually even being able to assess the difference on an accurate basis between a 12.5 and a 12% wine in various batches. So I would not be in favour from a wine perspective.

Q426 Sandra Gidley: Beer?

Mr Blood: Beer has a linear approach already: stronger is also more highly taxed. I think it is a very interesting way of looking forward. I would support looking at how you might do that—some tax favouring for low alcohol products and perhaps some higher rates of duty for very strong products—because I think one of the trends, which I do not think has been entirely benign, over the last 20 years has been that the average strength of beer consumed has for 15 years gone up. I do not think that is a good thing. I am pleased that actually in the last two or three years it has started to go down again, which is good news. I want to break the link between brands that are considered to be premium and alcohol strength. I think it is an unhelpful link, and the industry tends to link high prices with high alcoholic strength. If you look at the cider market, there has been a huge growth in premium ciders, so very expensive ciders amongst the more expensive alcohol units in both supermarkets and pubs, and those premium brands are at 4.5%, the bottled ciders, Bulmers and Magners, whereas other ciders are stronger than that. That is an encouraging development, in my view, where we are trying to break down the link between alcohol strength and brands that have high value. I would support looking at things we can do in that area.

Mr Benner: To add to that, Jeremy is right. The average strength of beers, in particular real ales, are starting to come down, so CAMRA would be in favour of a proposal to apply what can already be applied under European law for a zero rate on beers below 2.8% ABV. It is perfectly possible to brew

interesting quality beer at around that level, and I think that would be a good step. The other thing that we are pushing for as part of the Excise Directive Review in Europe is that a preferential rate of duty is applied to draft beer or beer sold in pubs, once again, to make it more attractive to people to drink in that regulated environment. At the moment that cannot be applied by Member States but we are taking that proposal to the European Commission.

Q427 Sandra Gidley: Would it make any difference from a supermarket perspective? Would it change the balance of what was sold, do you think?
Mr North: I think we would have to do the analysis, to be honest, to come to a conclusion on that.

Q428 Sandra Gidley: So some agreement there then. This one might divide you. Is it good for public health that the duty on beer has risen above inflation in recent years but the duty on spirits, such as whisky, has not? I suspect the influence of the Scottish whisky industry on the Chancellor and the Prime Minister here. Is that a good thing, that change in shift of taxation?
Mr Beadles: I think I am correct in saying that it is not current Treasury policy to link taxation and public health. Taxation on spirits has historically been considerably higher than on wine.

Q429 Sandra Gidley: Historically, but with the recent changes for spirits, the taxation has not increased as much?
Mr Beadles: Certainly from our perspective, I think that there are different views from different parts of the industry; I am not sure there is a homogeneous view on that question. From a wine perspective, we have had, obviously, a 20% increase in the last year alone, taking us over two pounds a bottle in tax.

Q430 Sandra Gidley: From a public health point of view.
Mr Beadles: My understanding is that the Chancellor does not make duty decisions based on public health grounds, he makes duty decisions based on revenue raising grounds, and, therefore, he is not looking at these issues from a public health perspective. That is my understanding of his statements.
Mr Blood: I think, from my perspective, you will get the logic of my previous answer: if you can use excise duty to encourage consumption of products that are lower or more moderate in alcohol, then I think that is something that is interesting and good. That is my answer.
Mr Benner: Beer still represents over 60% of the wet turn-over through lots of pubs and it is only right that it should be priced accordingly, because, again, pubs are losing out because of that.

Q431 Sandra Gidley: I want to come back to cider. Putting the premium product to one side, although I drink cider I do not touch White Lightning with a barge pole because it has a high alcohol content. A lot of young people seem to buy it because it gets them drunk quicker, and yet the duty on it is comparatively low. Should that anomaly be addressed?
Mr Blood: We produce White Lightning. We bought Paul's business five years ago and inherited a big brand in White Lightning that was sold at 7.5% alcohol. We had two choices on how to develop that brand. Fundamentally I do not feel 100% comfortable with that brand, so we could have withdrawn it completely and that would have left the market. There are many other white ciders out there sold at that strength and that price. What we have done, as leaders, is we have increased the price, we have stopped doing three-litre bottles with 50% extra free, and recently we have reduced the alcohol strength of White Lightning from 7.5% to 5.5%. So we are trying to do it. We could, Pontius Pilate-like, wash our hands of it and abandon it but because we are cider market leaders we are trying to lead the other producers in the market place to try and sell white cider in a more responsible way, in our view. You ask: should we change the anomaly on cider duty? I think there is not unanimity amongst the National Union of Cider Makers on that one, because there are a lot of craft ciders, vintage products, which have got quite a high alcoholic level, that I would encourage. On beer we have done a thing called progressive beer duty, where smaller craft breweries get a more favourable duty regime to protect their interests. I think there is maybe a way of looking to protect the craft vintage artisan production and maybe look at it like that. Again, I would be interested in how we could approach that. I think that is a good area for us to be investigating.
Chairman: I hesitated to say that that was the last question, but it was. Could I thank all four of you for coming along and helping us with this inquiry this morning.

Witnesses: **Mr Mike Craik**, Chief Constable of Northumbria, Association of Chief Police Officers (ACPO) Lead for Licensing, gave evidence.

Q432 Chairman: Good afternoon. I wonder if I could ask you to give your name and the position you hold, please?
Mr Craik: I am Mike Craik; I am the Chief Constable of Northumbria Police and I am the Association of Chief Police Officers spokesperson on alcohol and licensing issues.

Q433 Chairman: Once again, thank you for coming along and helping us, and sorry about the delay. Have the more liberal licensing laws that were introduced in 2003 resulted in a continental cafe culture, as predicted by some at that particular time?
Mr Craik: No, on my reading of it, it was intended to help in that direction. I do not think it has

achieved that, and that would be an unrealistic expectation.

Q434 Chairman: We have been told that the Government regulations make it difficult for local authorities to reject applications now. Do you agree, in your role, that that is the case either in Northumberland or elsewhere?
Mr Craik: Yes, and, of course, this comes from conversations with partners and that sort of thing. We are not the licensing authority, but I think there is an anxiety, that they feel constrained by the legal power of the big organisations. In industry they can turn up with lots of very expensive barristers and challenge decisions, and I think there is nervousness around that, being robust in the face of what is a particularly powerful industry around that. My view is I would like to see, certainly some of my colleagues would like to see, more licensing authorities at least trying to be more in tune to what local people say.

Q435 Chairman: We visited New Zealand just a few weeks ago, just before Easter, and we had several conversations there. The Law Commission is looking at changing the licensing law, but one of the organisations, which was an academic organisation that we talked to, said that their big shove was actually to empower the community; whether that would be a planning authority, or whatever, I do not know, but to empower the community to say, no, and the wider voice of the community had to be consulted before further licences were issued. What is your view about that?
Mr Craik: My personal, professional view (and I hesitate because I have not consulted all 43 of the chiefs around this): I would be supportive of that. I would like to see the local community having a more powerful voice in how licences were granted and to what extent they were granted in communities, because you will not get the perception of a cafe culture if people feel they have no say in how it is coming about and things just happen without their contribution towards it. We have done a lot of work with my local authorities in Tyne and Wear and the issue of the public perception of how on how things work is vital. Even when we have reduced crime and reduced disorder, they do not make the connection that it is us that is doing it unless we do a lot of work to enable them to see that it is the partnership that is providing that service that actually works for us. I think it is absolutely vital that you listen to what the public want, show them what it is you intend to do about it and how you can influence that and how you cannot, because they will accept the fact you cannot sometimes, and then go back to them with the outcomes of that, successful or otherwise, and if they are unsuccessful you say, "What else would you like us to try and do to solve this problem for you?"

Q436 Chairman: Would it be easy for you, through ACPO, to get the views of other police forces, as it were, reasonably quickly on the issues that you have just talked about there, to get the wider views, as it were?
Mr Craik: If you want that specific view on whether we support that broader public involvement.

Q437 Chairman: Yes, what would be your position?
Mr Craik: My intuition is that they would probably be supportive of that, but if I emailed them all and asked for a response, agreeing or not agreeing to that, then that could be done in fairly short order. If I phrase it in a way that, in the absence of a response, which often happens, I will take it that you are agreeing by your silence to what I am suggesting, then we can produce that for you fairly quickly.
Chairman: I would appreciate it if you could let us have that.

Q438 Dr Naysmith: Following on along the same lines as some of the questions that have already been asked, in my experience—I suppose it is really anecdotal in a way—there are parts of the country where people seem to have more say in what happens in their local community when licences are being granted than others. I was going to ask a similar question to the Chairman. Would it be possible for you to find out through your organisation, whether all these chief constables (43, was it, you said) could tell you, whether it was the case that local people did get a proper say in what happened?
Mr Craik: I would hesitate to ask them to give me a categorical assurance that they understand at every neighbourhood level how people feel about a single issue. I think we would have to get in the surveys to do that. We do do that, but that is on a quarterly basis and it is expensive.

Q439 Dr Naysmith: This information is not readily available.
Mr Craik: It is not readily to hand. It would require a lot of work, and I suspect I would get a very varied picture and answers along the lines of what I have just given you: "How do you expect me to find that out with any degree of certainty when you are asking me what the public think?"

Q440 Charlotte Atkins: From your experience, and you may not be able to answer this, have there been any advantages to having local licensing? I represent a relatively rural area and clearly the sorts of applications you are going to have in a market town are going to be very different to the applications you might have in a city area. Has local licensing been able to allow local licensing committees to reflect those different demands in local areas?
Mr Craik: Yes. I will go back to my experience in my force area. I think my licensing committees and my officers work in a way, in terms of partnership, that they did not previously. I think one of the benefits of that bit of the 2003 Act has enabled us to engage in partnership in a much more successful way. I think a lot depends on the relationship with partners, where they are and how much influence they can actually have. Again, it is difficult. We are always hoping we are providing the service that the public want from us, but until we ask them afterwards or until we hear the feedback from them, we do not actually know. I would say partnership working in terms of licensing

applications and refusals and dealing with objections has improved; it is still a bit short of working perfectly, I think.

Q441 Charlotte Atkins: What about the review of existing licences where there has been some concern by local residents about the operating of a particular pub? Is there any evidence that there is community involvement in refusing licences for the future—reviewing licences and taking licences away—because clearly there is one issue about licensing; there is another issue about whether a licence should in fact be revoked?
Mr Craik: You are talking to somebody who does not sit on the licensing committee and does not see or hear what the objections are or whether the outcomes are successful in terms of those who object and those who do not. I would go back to my original point. To be fair to licensing authorities now, the rejections, refusals and revocations are very, very robustly legally challenged, and that puts them in a very difficult position. As much as local councillors may want to provide what local opinion suggests is appropriate for them, they have to get everything right, and that is quite a tough challenge.

Q442 Dr Taylor: Can you give us an estimate, or is there any hard evidence, of the amount of crime that is alcohol related on typical Friday, Saturday nights?
Mr Craik: Yes, I have provided some written evidence. That is local stuff, and I think you need to be very cautious on that. It looks to be about 15%. It is a bit of a bureaucracy to get the officers to tick a box on a crime form that indicates clearly to them, and unequivocally to the point where they feel safe to do it, that it is alcohol related, and you can see year by year that goes up. That is about us getting more compliance and it is not an accurate picture. Fifteen per cent is what it is at the moment. I would suspect it is lots more than that. My own experience going out and arresting people is that it is quite unusual to find people who are not in some way involved in alcohol. It does not mean they are drunk. That is another issue, the offence of drunkenness. It is people's behaviour that gets them arrested, not the level of alcohol in their body. One of my early campaigns around the "The Party is Over", we arrested 9,000 people more for those sorts of offences in that subsequent year, but 5,500 of those were for Public Order Act offences, my strategy being early intervention. If you wait until people are so drunk that they are drunk and incapable, you are probably too late; they end up in the medical professionals hands more likely than ours. Ours is that it is your behaviour that gets you arrested. If you swear once you might get a warning; if you swear twice, you gesticulate, you threaten, you get arrested at that point. The degree of drink may not be drunk by a barman's estimate, by your estimate, by mine, hence the use of Public Order Act offence. Drunk and disorderly, again, does not require you to be drunk and incapable, but to be arrested for drunkenness does require you to be drunk and incapable. It is a cloudy picture, but 15% is probably an absolute minimum. I would suggest it is far more than that. I have anecdotally heard figures of around 40%, and I think if you start looking at domestic incidents as well, domestic violence incidents where officers are called to people's homes that do not result in crimes necessarily, I think drink is a fairly usual factor in those sorts of events.

Q443 Dr Taylor: You obviously go back quite some time. When you were a young copper on the street, was it a rarity to have alcohol-related crime?
Mr Craik: No. The first two arrests I made in Brick Lane as a PC in 1977 were two gentlemen who were drunk and disorderly, both, sadly to say, from Newcastle. The fact they hit me in the face with a cider bottle did not help! Yes, that was, in fact, almost a drunk patrol actually, and we had a van. We were young probationers. It was our task in those days to look for the drunk and disorderly behaviour. So, yes, it has been around. My father and grandfather were police officers, and it goes back to 1921, and, yes, if they were alive they would tell you the same story.

Q444 Dr Taylor: Has the Licensing Act made a difference?
Mr Craik: In terms of overall crime, and one of my colleagues has said this earlier, the overall impact is largely neutral. There has been a temporal shift in where offences occur. We have gone, fortunately, through a period where crime has gone down, disorder has gone down year on year on year across most of the country. Linking that to one single act would be naive and irrational, but things have not got worse. I think neutral is a fairly sensible expression of how it has gone on.

Q445 Dr Naysmith: It is interesting that earlier you used the distinction between drunk and disorderly and public—. What was the phrase?
Mr Craik: Public Order Act offences.

Q446 Dr Naysmith: —Public Order Act to pick people up early before they were absolutely intoxicated. Yet we know that the law states that publicans should not serve people who are intoxicated. Why is it that this law is not enforced?
Mr Craik: When I saw that, at first I was slightly surprised, and then when we thought about it and we discussed it, probably not. There are two reasons: one is that it is useful in terms of putting pressure on. I have sat and listened to earlier evidence today and I have met with the industry before, and it is clear that the industry responds to pressure—economic pressure, regulated pressure and legal pressure—and the fact that we have that power to arrest for drunkenness and for serving drunks, in my force alone we now have 144 different pub-watch schemes that have banning orders against individuals. Our view is that this enables us to say to pubs, "Do you want to participate in partnership in dealing with this issue, or do you want us to come and police it out of you?" And guess what happens? We find another way of doing business together. I do value partnership and I do value the industry's participation in partnership; I just do not think they

do it and they would not do it timely if they were not regulated into it or if the law did not make them comply with these sorts of changes. The second bit is entirely about the practicality of policing. Going into the premises that you described earlier, vertical drinking premises, with 200 people in who have been drinking, trying to pick out the one who got served and whether or not they were more or less drunk than the others is a difficult task for a police officer and a dangerous one actually. I have been out and done this. What my officers do, it goes along the lines of if individuals are troublesome and the bar staff are good enough to point that out, or they are not, then: "Can you come outside, bonny lad. I would like to have a chat with you", and then we deal with them when we control the situation and they are not surrounded by all their friends, and we have a far greater range of offences and powers to deal with them on the street than we have in the premises. So it is actually very sensible and practical to deal with them in another way, and it also allows the licensee to be grateful to us for relieving them of the burden and doing their task for them, which means that when we speak to them later, together with the licensing authorities, we get better co-operation, we get better partnership.

Q447 Dr Naysmith: That all makes a lot of sense and is easy to understand, and yet what is difficult to understand is that there were only two prosecutions of publicans in the whole country in 2006. How can that possibly be true?
Mr Craik: I think it goes along the lines that activity is not a good measure. Are we getting better outcomes in terms of managing town centre violence and disorder in public houses? I think we are. It may sound facetious, but it is not. We tend as a country to value a new Trident missile system. I hope nobody is planning to use it real soon. Alcohol disorder zones are like that as well. We do not have very many of those. They are a powerful weapon in our pocket when it comes to negotiating with licensed premises and town centre management in terms of making sure we get much better compliance with people. I understand the point around the lack of activity: the question is should we now get rid of it because you do not use it? I would be a little bit careful about doing that. There may come a time when there are pubs where we are not getting compliance, we are not getting co-operation where I would want to use it, or officers would want to use it, although there are probably other ways of closing a pub down if it is that difficult.

Q448 Dr Naysmith: There must be some premises in the whole of your area that you have your suspicions about, where there is more regular criminal activity or anti-social disorder when the pub comes out than there are elsewhere. Do you particularly target these premises?
Mr Craik: Yes, and one of the things that we do value about co-operation with the licensing trade is this end-to-end approach rather than just enforcement. ACPO's view is that we have got enough laws, thanks, we do not need any more, we are not sure we ought to be stripping any away, but it is about getting the original plan right for a cafe society and then building towards that, this trade shaping and all the rest of it—"Can we be part of that, please?"—right the way down to the individual management of public houses. When police go into premises, which we do routinely, funnily enough the behaviour changes. Getting the behaviour change is the important bit; not catching people. Catching people is a means to an end and a last resort means, "Can we do it some other way?", but I would always like that big stick behind my back if I have got to walk softly about the place and negotiate with people.

Q449 Stephen Hesford: I think you just said, Mike, that you do not want any more laws, you have got enough powers.
Mr Craik: At the moment that is the ACPO view on licensing.

Q450 Stephen Hesford: That was my question. So there is nothing that comes to mind in terms of additional powers?
Mr Craik: No. In fact ACPO's position at the moment is two-strand. We want to get into this and start to develop partnerships, and this end-to-end management of drinking in public places is something we should share together with our partners, and we think that is absolutely right. It should not just be an enforcement thing. The other thing we want to move to is away from all this doom, gloom and disorder. There are places in my area, and a lot across the country, of Legend—a big market in Newcastle I had it thrown at me in this building earlier this week. My wife and I eat there on a Friday night. You could have a reign of terror with a balloon on a stick on a Thursday evening. It is not the place of Legend, and I think it is time to paint a more positive picture, talk a more positive narrative, something like the Civil Trust, their Purple Flag Scheme, which runs along the lines of green flags for parks, blue flags for beaches, to start building some positive perceptions of the society we want to enjoy safe, sensible social drinking in rather than just having to manage the different places. If we can get moving in that direction and accredit places that require very little policing, then I can focus all my resources, not just on the places that are the problem, but the people that are the problem. I come back to the point I made earlier, it is misuse, mis-sale and misbehaviour. Misbehaviour covers everything from urinating in the street to murder. It is the people who do that, not alcohol itself and not geography that is the key issue. So if I can focus more and more of my efforts on dealing with the people who are the problem and I can share that with other agencies—health, education and so on and so forth—and we can find out who are the people who cost our organisations the most money, who cause the most harm to the community, what can we do divert them away from it as well as interdict and deal with them,

what can we do with them and for them as well as to them. I do things to them—it is what cops do—and then the next layer is: who are the next generation? Who are the children, the siblings, the 10 year olds, the seven year olds who in five or 10 years' time are going to be the 15 year olds who are fighting and drinking in the town centre, and what can we do with education, social services and housing to divert them or prevent them ending up like, mum, dad or their brother or sister? We want to see ourselves on a broader path together with all the other agencies. The barrier to that at the moment is sharing confidential information, but I believe we can get round that.

Q451 Charlotte Atkins: In our last evidence session we heard from a paramedic that they were finding young people as young as 10 who had consumed too much drink and were almost comatose in some situations. Are you finding that that is the case in terms of the experience of your police forces, that you are finding younger and younger people being picked up having abused alcohol?
Mr Craik: Yes, I think our findings, our views, would coincide with the research that was published on 6 May that says there are fewer younger people drinking at the moment, just, but they are drinking more, that the age group is young, that adult males, 15 to 24, are drinking slightly less, but they were always bad, and females of that age group are actually getting worse. That would accord with our anecdotal view of life. There are two types of vulnerability round this. When I have been here today the conversation has been around what goes on amongst adults who are allowed to drink in the evening, in the night-time economy. The second problem for us are the kids who drink in the parks, the streets, the housing estates and hang around. If I ask my public, "What is your biggest problem?", it is youth-related disorder and it is founded in alcohol. To what degree that is we cannot measure, but everybody believes it is, that is what the public think it is, and certainly we seize lots of alcohol and we pour that away, and those powers have been really useful for the cops, that power to exclude kids from gathering together, make them move on and not come back for 24 or 48 hours, a very practical bit of stuff, really useful. It makes the problem go away and enables the public to see that somebody has done something, and that is very powerful for the public. Rather than us turn up, the kids are all quiet and behaving themselves but have hidden the drink, even if we do not find the drink with them, we do not catch them misbehaving. Previously we would walk away and leave them and the public would think, "What good were they?" Well now we can actually do something. That ability to be seen to do something is very important, as is seizure, taking the drink and pouring it away. It is a bit of a war of attrition. The first time you find some kids with cans and pour the cans away, they are not very happy, but it does not stop them doing it again. You have to wear them down, you have to be persistent, and it will take time to break through.

Q452 Stephen Hesford: Alcohol disorder under the legislation: my understanding is that the partnerships can charge retailers or outlets for the consequences of public disorder?
Mr Craik: Yes.

Q453 Stephen Hesford: Does that get used?
Mr Craik: It is a bit like arresting for drunkenness for public purposes: it is all right with mum, if you like. It is a very useful negotiating ploy and that is how it tends to be used. Labelling somewhere an alcohol disorder zone, a lot of local councils, I guess, are reluctant to label their own communities—last resort stuff that—so I would not expect, I never did expect that to be used a lot, but it is very, very good for focusing people's attention on what needs to be known in a particular area.

Q454 Stephen Hesford: You have heard the discussion about minimum pricing. Does ACPO have a view on minimum pricing?
Mr Craik: Yes, even before I became the ACPO spokesperson on this I have always said price matters. Alcohol Concern's evidence is clear, it is unequivocal, nobody can come close to rebutting or refuting it today, and I have been in these debates with the industry before. It even accommodates what I think is a slightly specious and selfish argument around punishing moderate drinkers. I do not quite buy that; but that is a personal view, a professional view; not necessarily the ACPO view. The ACPO view is price matters and their unit price approach is very attractive. If you see the break down of how it impacts, it impacts appropriately but disproportionately on the very cheap stuff without impacting disproportionately on what people might say is their reasonable price for drink. I do not think drink is reasonably priced in this country for what it is and what harm it does. I have just been to Singapore and I think £27 a bottle is probably about right for wine. Yes, it hurts me, but it does change my behaviour! Without wishing to sound facetious, I have heard, "Why are you punishing me?", on numerous chat shows late at night and early in the morning and there is something of, "They wanted to take the pressures", that comes across from people, and I think what Alcohol Concern propose there is, "We are cops; we go and evidence; that is good evidence", and we support that.
Chairman: Community Alcohol Partnerships: are you familiar with them?
Mr Craik: Yes.

Q455 Chairman: I used a phrase out of a publication about the one at St Neots in Cambridgeshire?
Mr Craik: I have not seen it; I have heard a bit about it this morning.

Q456 Chairman: It does say 129 young people were stopped and searched by the police. Stop and search has a certain reputation to it in certain parts of this country.
Mr Craik: Yes.

Q457 Chairman: Is it helpful that alcohol partnerships or community partnerships use phrases like this, or do you take action like that, if it is as I understand what stop and search means?
Mr Craik: I think that is probably stop and seizure. I think that is probably unhelpful language, certainly in London. It probably would not be noticed where I come from, there would not be a sensitivity to that, but I do understand there is a much better way of expressing that. Again, it is one of those things. They are measuring an activity there; that is not an outcome; that is not life getting better for the people who live there, and I think we need to be a little bit careful not to focus too much on activities unless it produces an outcome in terms of satisfaction or confidence in the public and should focus on: does a disorder go down? Does alcohol related crime go down? Are we making a difference? In fact I do not think that is particularly helpful.

Q458 Chairman: Could I thank you very much indeed for coming along and helping us this afternoon in this inquiry. I do not know when we will be finished with it, I have to say.
Mr Craik: I will contact my colleagues on the New Zealand issues.
Chairman: I would greatly appreciate it if you could do that.

Thursday 2 July 2009

Members present

Mr Kevin Barron, in the Chair

Mr Peter Bone
Jim Dowd
Sandra Gidley
Dr Doug Naysmith
Mr Lee Scott
Dr Howard Stoate
Dr Richard Taylor

Witnesses: **Mr Guy Parker**, Chief Executive, Advertising Standards Authority, and **Ms Kate Stross**, Director of Content, Ofcom, gave evidence.

Q459 Chairman: I welcome you to the fourth evidence session in our inquiry into alcohol. For the record perhaps you would give us your names and the positions you currently hold.
Ms Stross: I am Kate Stross, director of content at Ofcom.
Mr Parker: I am Guy Parker, chief executive of the Advertising Standards Authority.

Q460 Chairman: I put a general question to both of you. Please explain your responsibilities in relation to regulating the advertising of alcohol and the relationship between your two different organisations?
Ms Stross: We regulate the whole of the communications sector but as part of our regulation of broadcasting we are responsible for regulating the content of both programmes and advertising. In 2004 we devolved our regulatory powers to a large extent to the Advertising Standards Authority in relation to advertising, but Ofcom retains backstop powers behind the ASA. We have the right to approve the codes relating to broadcast advertising, impose sanctions should that be necessary and retain an overall responsibility for regulating the amount of advertising that can be seen on television.
Mr Parker: The ASA is responsible for administering the rules that cover all advertising, broadcast and non-broadcast. My colleague has just explained the broad co-regulatory set up. The non-broadcast side is more of a self-regulatory set up. We have been responsible for administering its code since 1962, so it is getting on for 50 years. The rules are written by the industry in the form of the Committee of Advertising Practice on the non-broadcast side and the Broadcast Committee of Advertising Practice on the broadcast side. As to the latter the code is subject to Ofcom approval. Last year we were responsible for assessing and checking against the code 26,500 complaints involving about 15,500 cases. By "case" I mean a discrete ad or campaign. As to alcohol, we received just short of 400 complaints about advertising last year. Those complaints were not just about alleged problems under the specific and strict alcohol rules; most were complaints that ads were misleading or offensive under the general rules in the codes. Of those 400 complaints 200 related to alcohol ads or campaigns. Those 200 cases represent about 1% of the total and equate almost perfectly with the proportion spent on alcohol ads.

Q461 Sandra Gidley: We have been told by two eminent experts on alcohol, Professor Gilmore and Dr Peter Anderson, that the current UK regulatory system for alcohol advertising is relatively lax. Do you agree with that?
Mr Parker: I do not agree with that. Our content, scheduling and placements rules are strict. They were further strengthened in 2005, in part as a result of the government's alcohol harm reduction strategy. We do a lot more besides just assessing and if necessary investigating and upholding complaints. TV and radio advertising, not just alcohol, is pre-cleared by two organisations: Clearcast and the Radio Advertising Clearance Centre. On the non-broadcast side we operate a copy advice service that gives a lot of advice to advertisers etc who want to check whether their ads and campaigns are okay under the rules. Last year we received over 200 written inquiries from alcohol advertisers and agencies wanting to make sure that their ads and campaigns complied with the rules, but we also put a lot of emphasis on the more proactive side of things, for example regular monitoring of all ads particularly those relating to alcohol. In 2006, 2007 and 2008 we undertook fairly extensive alcohol compliance surveys where we looked at a representative sample of alcohol ads and assessed them against the rules to check compliance. Compliance rates have varied a little. In 2006 the rate was 95%. That is the lower end of what we regard as acceptable. We put quite a lot of effort and resource in talking to the industry to explain where we think it is going wrong and how it can ensure that its ads and campaigns comply with the codes. The compliance rate picked up a bit in 2007; it was 97%. We are about to publicise the survey we carried out in December last year just before Christmas when historically there is a lot of alcohol advertising and it looks as though the compliance rate has improved a little; it is 99%. We believe that we have things well under control.

Q462 Sandra Gidley: Are there any manufacturers who have not contacted you? Is there any correlation between those who have and have not and compliance with the code? Some ads seem to push it a bit. I am thinking in particular of WKD ads which, certainly in a report I have seen, were slated by the ASA as pushing the boundaries too far. Did they check those before?

Mr Parker: I do not know whether they have been seeking copy advice in the past year or two; they may well have done. I am aware that we have found against 20 ads or campaigns in the past three or four years since the stricter rules were introduced in 2005. The written evidence we submitted referred to 18 but there have been two further ones since. That is for a variety of different offences under the rules. Youth appeal and links to social and sexual success have featured on a number of occasions. If it helps the Committee, I have a summary of all those 20 adjudications and copies of the ads where there are printouts. I can leave that with you. It is not the case that there is perfect compliance, but in my view the ASA administers these rules very strictly. It is quite notable that the decision taken in the past year or so that has garnered the most media interest was an adjudication against a poster for Courage. You may remember reading about it two or three months ago. In that case our decision was roundly criticised for being too strict; we were accused of being humourless and poe-faced for not seeing this ad as just funny. We thought the ad implied that drinking Courage could give you confidence.

Q463 Sandra Gidley: What are the advantages and disadvantages of self-regulation? Self-regulation does not seem to have done the banks much good.
Ms Stross: In the broadcast area it is not a self-regulatory system. Ofcom has statutory backstop powers and therefore stands behind the ASA as it were with its powers. We see the advantage of co-regulation as being that it brings with it expertise of the industry to deal with a particular problem and has the potential to enable faster changes in regulation should they be warranted because the industry is engaged in the process. You have expertise and speed, and it can be cheaper. We believe that where the interests of the industry are aligned with those of the back-stop regulator co-regulation can work very well.

Q464 Sandra Gidley: The statement "when the interests of the industry are aligned" is an interesting one because I would have thought the interests of the industry and its shareholders are to sell as much alcohol as possible and pour it down young people's throats.
Ms Stross: I am speaking at a slightly higher level. Guy can probably put it better than I, but the advertising industry in general sees it as being in its interests that advertising is regarded as legal, decent, honest, truthful and a positive force in society rather than a negative one. That is the root of the self-regulatory system for advertising which has existed for a long time. That is where we see the alignment of interest between ourselves as statutory regulator and the self-regulatory aspects of the ASA.
Mr Parker: That is right. The key reason why the advertising and media businesses support and pay for co-regulation of advertising is because they want to maintain high standards in advertising. The reason they want to do that is that they know, taking the longer-term perspective, it is in their interests for standards to be high not just because it prevents restrictions that they might see as unreasonable being brought in but because if people trust advertising and believe that generally speaking it is responsible they are more likely to respond to it. If they are more likely to respond to advertising that makes the marketing budget go a bit further.

Q465 Sandra Gidley: Are you saying effectively that they are trying to be good boys and girls in plugging alcohol because if they do not do it properly we might pull the plug on the advertising?
Mr Parker: No. I am saying that the industry generally are trying to be good boys and girls because they worry that if they are not the public will lose faith in advertising and it will not provide the value to them that they want it to provide.

Q466 Dr Stoate: I find those answers complacent, to say the least. You refer to the idea of the industry desiring to keep up standards. Let us not beat about the bush. It did not work with tobacco. We tried a voluntary code and all sorts of self-regulation and in the end we got so fed up with the whole lot we had to ban it. Clearly, they showed no interest whatsoever in managing to produce ads that were socially acceptable and in the end they had to go. To make a wider point, the Royal College of Physicians has told us that the misuse of alcohol in this country kills 40,000 people a year. Why do you allow the advertising of alcohol at all?
Mr Parker: One thing that is important from our perspective is that we respond as an evidence-based regulator. This inquiry comes at a good time in one sense because the codes have just been out to consultation. CAP and BCAP are still consulting on whether or not the alcohol rules should be tightened up as a result of the ScHARR review that I know has been discussed in quite a lot of detail in previous sessions of this inquiry. CAP and BCAP will look at the evidence and respond to those who choose to submit responses to their consultation. They must make a judgment about whether or not the evidence is good enough to justify further restrictions in the alcohol rules and that is what they will do.

Q467 Dr Stoate: We have had this with tobacco and it did not work at all. Alcohol costs billions of pounds a year in social costs in terms of damage, crime and the disorder it causes. We have evidence, which we shall be looking at later in this morning's session, that the rules are being breached left, right and centre. Obviously, I do not want to go into that right now because my colleagues will come up with examples of it during the morning session. The fact is that the current system is not working; we do not see the reductions in consumption that we need to see, and there is no question that advertising takes a big chunk of the blame for it.
Mr Parker: I think you have to look at the impact of advertising in the context of our relationship as a society with alcohol across the board. There are all sorts of things that influence drinking in this country. In this country the majority of people who drink do so sensibly. There is a big difference between alcohol and tobacco. It is generally considered true that you

can consume alcohol sensibly. I am not sure one can say the same about tobacco. Important differences need to be taken into account.

Q468 Dr Stoate: The difference is that generally speaking with tobacco you harm only yourself but with alcohol quite often you harm other people. There are significant differences. Do you think we were wrong to ban tobacco advertising?
Mr Parker: I am here to talk about the ASA and its involvement in regulating alcohol advertising. I disagree with your analysis that the system you mentioned earlier does not work. I think it does work. I shall be interested to hear the examples you have found where it does not work and, if necessary, follow them up, but we have a lot of good evidence that the system does work. The ASA/CAP/BCAP system must respond to society's concerns about things like alcohol based on the evidence. CAP and BCAP's view is that the evidence that alcohol advertising causes misuse is not strong, so we must take that into account when determining what our response should be. We sign up to the principles of good regulation, as you would expect us to, and two of those five or six principles are proportionality and targeting. We must make sure we do that when we consider these sorts of issues.

Q469 Dr Taylor: Do you think that those of us who hopefully drink sensibly are affected by advertising at all?
Mr Parker: Yes; I suspect it has the potential to affect everyone. The more important concern in the context of society's relationship with alcohol is whether or not such advertising causes dangerous styles or levels of drinking.

Q470 Dr Taylor: Surely, is that not where alcohol advertising is targeted, in particular to get young people started and get them to drink vast amounts?
Ms Stross: I do not think that is the case. If you look at the rules governing broadcast television advertising there is a set of rules that has been designed with all drinkers in mind, but there is also a set of rules on the content of advertising that is targeted particularly at trying to protect the under-18s. This is one of the duties of Ofcom as a broadcast regulator. There is a body of rules within the alcohol advertising rules that stops advertisers associating advertising with youth culture. You are not allowed to use people under 25 in an ad for alcohol. There are particular kinds of behaviour that advertising for alcohol is not allowed to depict precisely because it is felt that those styles of behaviour would be attractive to young people. There is a very direct attempt in the rules on the content of advertising to protect young people as a defined group as well as protecting drinkers in general.

Q471 Dr Taylor: I believe Mr Parker said right at the beginning that the rules were written by the industry. Is that right?
Ms Stross: The present television advertising rules are ones that derive from Ofcom's predecessor broadcast regulator, the ITC, although they are currently being consulted on by BCAP.
Mr Parker: In my opening statement I was referring generally to the rules which are written by the industry. What may have caused confusion is the fact that in late 2004 and early 2005 we took over responsibility for regulating TV and radio advertising under contract with Ofcom. Ofcom had started and nearly finished the process of strengthening the TV rules at the time we took over responsibility for the system of broadcast ad regulation. Off the back of the recommended changes to be introduced on the broadcast side the non-broadcast Committee of Advertising Practice made equivalent strengthening changes to the non-broadcast codes.

Q472 Dr Taylor: We are told that the assessment of the European Court of Justice is that "it is undeniable that alcohol advertising acts as an encouragement to consumption." That is pretty obvious because people would not advertise if it did not produce an increase in consumption and sales. Is this acceptable when we know about the harms caused by alcohol?
Mr Parker: I think it is why we must have tough rules and the alcohol rules are as strict as they are and do not just cover the content of ads but their scheduling and placement to make sure they are not targeted at the under-18s. It is not just about under-18s though that is one of the primary worries we have as a society. Very strict rules apply to ads that target older age groups as well. I believe that is a proportionate response to the point you make that advertising can have an effect on consumption.

Q473 Dr Taylor: If alcohol advertising was completely banned would it affect the sensible drinkers?
Ms Stross: It is very difficult to draw clear lines of causation between the advertising of alcohol and its consumption. The SCHARR report looks in great detail at the evidence in this area. As I understand it, its findings were that you could much more readily link the pricing of alcohol to the level of consumption than you could draw very straightforward lines between the advertising of alcohol and its consumption. That is an area where the review itself said more evidence was needed. There are many factors that influence consumption and the way in which alcohol is consumed. Clearly, advertising is one of them but in thinking about what form of regulation of advertising is proportionate you have to consider how large is its effect relative to all the other effects on alcohol consumption.

Q474 Dr Taylor: Would any form of curb of advertising be proportionate or justified?
Ms Stross: Certainly in broadcast advertising those curbs exist already. One is not allowed to advertise alcohol at all in or around programmes that are either made for young people or are of particular appeal to young people. There are times when one

simply cannot put alcohol advertising in one's schedule and when one can show alcohol ads their content is strictly regulated. This is already a highly regulated area.

Q475 Sandra Gidley: What about programmes like soap operas where the proportion of young people watching them falls within the regulations but the numbers watching are really high. That is not picked up, is it?
Ms Stross: It is not, because the way in which we measure whether or not a programme is deemed to be of particular appeal to a young audience is by the proportion of young people in the audience. As you say, soaps may have large numbers of young people watching them but the proportion of young people is perhaps only half as high in the viewing audience to the soap as in the viewing audience generally.

Q476 Sandra Gidley: But possibly they watch *EastEnders* more than programmes that are designed for them, so should not absolute numbers be a consideration in this as well?
Ms Stross: In a sense that is where the content rules come in.

Q477 Sandra Gidley: I meant *Coronation Street*?
Ms Stross: While you can advertise alcohol around *Coronation Street* or *EastEnders*—of course there is no advertising in the latter—the content of that advertising is still regulated in such a way as to ensure it is not appealing to young people.

Q478 Dr Naysmith: Mr Parker, you have already been accused by Dr Stoate of displaying a slight element of complacency in your answers. The reason he may have thought that is that in describing the regulatory system for advertising alcohol you have been using phrases such as "not lax", "rules are strict", "tough rules" and "we've got it about right". You suggested that the strategy was in line with the government's harm reduction strategy for the harm it does and so on and yet things are getting much worse. The increase in liver disease is quite obvious. When we were in Scotland recently we found the figures a bit terrifying and the kinds of antisocial behaviour taking place do not appear to be being controlled very well. All the evidence suggests that young people in particular are drinking more alcohol than is good for them. I admit that it is only a proportion of the population but certainly that applies to quite a lot of them. That is what gives rise to suggestions of a little bit of complacency. Last week a paper appeared in *The Lancet* which argued for a complete ban on all alcohol advertising. They quoted quite a lot of evidence to suggest that that would be good for society. Presumably, you would not agree with that. If not, can you tell me why not? You said that it had to be evidence-based.
Mr Parker: I am sorry I came across as complacent; I certainly did not mean to. I hoped I could communicate to you quite the opposite. We spend a lot of time and effort trying to make sure that the industry knows, understands and complies with the rules and in responding to complaints we make sure we assess them thoroughly against those rules. The situation is a bit fluid because we are in the process of consultation. CAP and BCAP will be looking at the responses which no doubt will include people who submitted the article in *The Lancet* to which you refer.

Q479 Dr Naysmith: What I sought to imply was that the rules do not seem to be working. The evidence suggests that they do not have much of an effect, and I suspect that later questions will be asked about that. There is no point in saying they are strict if the rules are not working.
Mr Parker: But I do not accept the conclusion you draw that the fact there are still concerns about drinking in this country means that the advertising regime is not working. We know that our relationship with advertising is subject to a very large number of factors. There has been considerable discussion in previous sessions of this inquiry about a lot of other things that might have a big impact on levels of drinking and alcohol misuse: discussions about pricing and wider availability; the impact of peer groups and family; and more liberal licensing laws now than previously. Might that have an impact? I do not know the answers to these questions, but I know there are many factors that must play a significant part in how we as a society consume alcohol. One ought not to point the finger only at alcohol advertising and say that because we still have this problem alcohol advertising must be out of control.

Q480 Dr Naysmith: Perhaps it is not being regulated as it is supposed to be. We are told that France has banned television advertising and sponsorship. Do you know whether that has had any effect?
Mr Parker: My understanding of the situation in France is that a law called the *Loi Evin* has banned most alcohol advertising since its introduction in 1991. Obviously, you must look at it in the context of France where historically there have been very high levels of alcohol consumption and the per capita consumption of alcohol has been declining for about 40 years. After the introduction of the *Loi Evin* the rate of decline in per capita alcohol consumption got a little worse; it slowed down. I believe that in 1999 the French Government said that the law had not proved effective. The main anti-alcohol NGO in France has ostensibly agreed with that and said the effect has been rather weak but it still supports the ban on symbolic brands. We must look at the evidence rather than the symbolism of things like banning advertising and work out whether or not further restrictions are needed. If CAP and BCAP decide that they are they will have to look extremely carefully at those further restrictions to make sure they have the intended impact. There is a danger that you can bring in a ban on advertising and the unintended consequence is that advertisers put more of their marketing spend into things like price competition which will reduce the price. The ScHARR review has pointed in quite firm

conclusions to the link between price and alcohol consumption. There is the danger that it can have exactly the opposite effect.

Q481 Dr Naysmith: Would you be in favour of minimum pricing?
Mr Parker: I do not have a view on that; I am here to speak for the ASA.
Ms Stross: In the area of broadcast advertising government has absolute power to impose a ban on alcohol advertising or the advertising of any other product; indeed, that was what happened to tobacco. Ofcom looks at this from the perspective of being a broadcast regulator and not a health regulator so when it considers the issues related to a ban on advertising or much stricter restrictions on advertising alcohol we must look at it from the perspective of our duties which are to protect vulnerable groups, including in particular the under-18s.

Q482 Dr Naysmith: Health must come into that, surely.
Ms Stross: Indeed it does, and that is absolutely the perspective we would have. We also have a duty to consider the availability of a wide range of broadcast services to the population and of high-quality programmes. In deciding what from a broadcast regulator's perspective is proportionate one must take into account all of those duties and reach a decision based on all the available evidence. The government if it wished could choose to take decisions from a different and purely public health perspective, but we must operate within the powers and duties we have been given by Parliament.

Q483 Jim Dowd: Mr Parker, your submission says that the ASA resolved 392 complaints about alcohol ads. What is your definition of "resolved"?
Mr Parker: As for all complaints we receive, we carry out an initial assessment to check whether or not they raise question marks under the codes. Not all complaints do so.

Q484 Jim Dowd: But if in your estimation you found one to be groundless you would still mark it down as a resolution?
Mr Parker: Yes; those are complaints that have been assessed.

Q485 Jim Dowd: So, "resolved" really means "dealt with" rather than anything else?
Mr Parker: That is exactly right. We write back to the complainant and explain in a bespoke letter why it is we do not share their view that the alcohol ad, or any ad about which they are complaining, breaches the code. There is a bit more to it than that. In the vast majority of cases where we decide not to investigate we must do a reasonable amount of preliminary work before we come to that view. One of the key things on which we place a lot of emphasis is to ensure we check our case handling system that contains all the complaints we have received over the years so that the determination we make at that stage is the right one and is consistent with previous decisions.

Q486 Jim Dowd: You say in your submission that under the new alcohol rules "the ASA has banned 18 ad campaigns" and since then that number has increased to 20. Of the almost 400 cases generally you do not say how many complaints you upheld.
Mr Parker: I do not have that figure with me at the moment but I can certainly let you have it.

Q487 Jim Dowd: Perhaps you could let us have it against the generality of the other 26,000 you receive and say whether there are more or less complaints and also the nature of them.
Mr Parker: Yes.

Q488 Jim Dowd: You say that you banned those 20 ads campaigns under the new rules. Can you give us any description of what type of ads were banned and why?
Mr Parker: I would be happy to do so. The issues varied. One point I make at the outset is that all of those 20 ads or campaigns were banned under the specific alcohol rules. There were other ads that either featured alcohol or were for alcoholic drinks with which we took issue under the general rules. Five of the upholds were to do with youth culture and ads that reflected it and we thought might appeal to under-18s. Eight of them were linked to sexual success, so that was the principal reason why we banned those ads. In three of them there was a link with social success, and in four of those cases the issue was that the ad implied that drinking the particular brand could enhance your mood or improve your confidence. Those were the results in terms of the ads and campaigns with which we have taken issue since the introduction of the stricter rules and they are a pretty good indication of the four main areas in the specific alcohol rules where we tend to find problems.

Q489 Jim Dowd: Other than banning the publication or issue of these particular 20 ads, can you give the Committee an idea of what kind of penalties there are beyond that? I am led to believe that you have the power to levy fines.
Mr Parker: We do not but Ofcom does if we face problems with a particular broadcaster that continues to air ads that break the codes. The adjudications that we reach are published every Wednesday on our website. That results in a lot of adverse publicity for companies that are subject to upheld decisions. For almost all companies in the alcohol sector adverse publicity is very unwelcome. They want to be seen as socially responsible and it costs them dearly in terms of reputational damage. They cannot run the campaigns again; in some cases they have to pull ads that they plan to run so there is a cost involved. If we have particular problems with a company—I am not aware of it having happened for the past two or three years—we can require it to pre-vet its non-broadcast advertising with the copy

advice team for a period of time. That is not necessary on the broadcast side because all TV and radio ads are pre-cleared anyway.

Q490 Jim Dowd: You say they are pre-cleared. If they are pre-vetted I do not understand how you can find 20 of them in breach. Why do you not have pre-vetting?
Mr Parker: Not all of those 20 are broadcast. The pre-clearance of TV ads is generally very good at spotting problems but the ASA council is the final arbiter of whether or not an ad or campaign complies with the rules. Sometimes it takes the view that an ad that has been pre-cleared is still in breach of the rules. I hope you will see from the examples I handed in earlier that as to some of these whether or not the ad breaks the rules are judgment calls. The Courage ad is a good example of that. It is probably the judgment of the man in the street that that ad is okay, but the average person is unaware of the strict rules that apply to alcohol advertising. Only when we tell them about those rules do they appreciate why we have taken some of the decisions we have. We have reasonably regular consumer events where we discuss the decisions we are taking not just on alcohol but across the board with members of the public and other interested groups to try to get a better handle on whether we are making the right judgments. One such consumer event that we held last year in Scotland was focused on alcohol. That gives us the opportunity to talk the public through the sorts of decisions we are taking and the rules we are applying. Once they have an appreciation of the strictness of the rules we get a very good sounding from them on whether or not we are striking the right balance.

Q491 Jim Dowd: About which category of advertising do you get most complaints? Is it a particular commodity or style?
Mr Parker: I believe that last year it was leisure which is a broad category that covers a lot of things.

Q492 Jim Dowd: That would include travel, holidays and so on?
Mr Parker: That is right. I can provide you with the official figures in our annual report, but I believe there would have been several thousand.

Q493 Jim Dowd: Are you saying that the ASA just adjudicates—or is it a binary function—on whether or not to uphold a complaint and the only penalties you impose are whether you allow it to run or it is withdrawn?
Mr Parker: That is typically the case. They are not the only sanctions available to us. I mentioned mandatory pre-vetting of non-broadcast advertising. If we have a particularly recalcitrant advertiser who refuses to comply with one of our decisions—it has not happened in the alcohol sector recently—we can send out an ad alert to the media asking them not to run the ad. That is a sanction that applies to the non-broadcast side of things; on the broadcast side there is a different system.

Q494 Jim Dowd: That does not have mandatory effect, does it?
Mr Parker: It is effective which is what is important. Effectively it denies space to that advertiser. They tend to be much smaller companies that are not too fussed about the fact there is an upheld adjudication against them on the website. They are not too bothered about damage to their reputation because they do not have a lot of value built into it. That is very effective. On the occasions we send out ad alerts inevitably we find that the advertiser very quickly gets in touch with copy advice complaining about the ad alert and asking for help to change the ad so they can run it again. Therefore, it is an effective sanction.

Q495 Jim Dowd: But if you have to deal with recalcitrants occasionally whom do you hold responsible for that? Is it the agency or producer?
Mr Parker: On the non-broadcast side the advertiser is primarily responsible, but we also expect agencies and any other intermediaries involved to take responsibility for ensuring that any advertising they produce on behalf of a client, or handle if they are providing mailing lists or fulfilment, complies with the codes. The media who publish advertisements have a responsibility under the codes and sign up to the system. They are a very important part of the CAP and BCAP committees and have a responsibility to make sure that the ads they publish do not harm, mislead or offend.

Q496 Chairman: I have just looked at one of the posters you passed to us. Presumably, it got through and eventually was stopped. It relates to Luxury Reborn Belvedere Vodka. It was a national press ad. I assume that it was published and then deemed not fit to be run. How does that square with the codes of alcohol advertising which refer to linking alcoholic drinks to sexual success or advertising in the context of sexual activity or seduction? Who looking at that for the first time thought it was all right to publish it nationally?
Mr Parker: That was precisely why we upheld the complaint.

Q497 Chairman: What is the system that vets it the second time around and not the first time?
Mr Parker: We know from our compliance surveys that the vast majority of ads that appear comply with the codes. Where we find compliance rates that are lower than we would like we take action and respond, but we do not pretend the system is perfect. Millions of non-broadcast ads and billions of direct mailings and marketing emails appear each year, so you cannot conceivably pre-vet them. We spend a lot of time and effort communicating with the industry including the media so they have a good understanding of the rules that apply, but that does not mean ads that break the rules do not appear from time to time; transparently they do. If they did not we would not be publishing adjudications every Wednesday that uphold complaints against them.

Q498 Mr Scott: As to the campaigns that have been banned, how long have they been running before they are finally banned? On average what sort of time elapses?
Mr Parker: I am afraid I do not have that figure; it will depend on the nature of the campaign and on the issue. There are occasions when we will fast-track complaints including on the broadcast side. We have powers to suspend ads pending investigation if we think they are very problematic. It is a judgment call from our perspective. We have to make sure that if we take that fast-track action and pull ads pending investigation we have good grounds for it; otherwise, obviously we will lose in the courts and be liable for damages afterwards. We have a good record for making those judgments. That can deal with those ads where there is clearly a problem. In the majority of cases the judgments are more nuanced and it is less easy to make the case that there is a blatant breach of the codes. Obviously, those cases require investigation. We need to provide the advertiser with the opportunity to defend its ad. If we just banned it outright we might be subject to a successful judicial review and our decision would be overturned. The ad would then appear again. Like all other bodies that do this sort of job we must ensure we follow due process. Like the vast majority of bodies that do a job similar to ours we have processes and mechanisms in place to make sure we can much more rapidly deal with very obvious problematic ads.

Q499 Mr Scott: The current regulations are focused on controlling content. We have already heard references to that from both of you. How do you justify that approach when there is a lot of evidence that it is the volume rather than content that affects young people's behaviour?
Ms Stross: On the broadcast side, the data reveals that young people see less advertising now than they used to. Young people today probably see about 30% less alcohol advertising on TV than they did back in 2002. There has been a reduction in the amount of advertising they see and the content of that advertising is more strictly regulated today than it was in 2002.

Q500 Mr Scott: Maybe you are correct about specific advertising, but do you agree that to a certain extent it has become a lot cleverer and a lot more is directed to sponsorship where every activity to which young people would look—football, rugby and so forth—is sponsored by drinks companies? Is it not still at the forefront whether or not they see it on TV?
Ms Stross: The rules on broadcast sponsorship are effectively the same as those that apply to broadcast advertising. If you are not allowed to put alcohol advertising around a particular programme because it is particularly attractive to or made for young people you are not allowed to sponsor it as an alcohol advertiser either. If you cannot advertise you cannot sponsor. There are also rules around broadcast sponsorship; it must not contain overt selling messages. There is clear regulation of sponsorship as well as advertising on television.

Q501 Mr Scott: Last week *The Lancet* referred to evidence that a lot of the content of drinks adverts had an effect on young people. I can think of a number just off the top of my head without referring to particular companies and ads. They are aimed specifically at younger people, so the rules are not working at the moment, are they?
Ms Stross: I am afraid I am not familiar with the article in *The Lancet* to which you refer, but all advertising is subject to the rules.

Q502 Mr Scott: The question is: do you think those rules are being adhered to?
Ms Stross: If they are not I presume that the ASA would be receiving complaints about them and dealing with them.
Mr Parker: I talked a couple of times about the compliance rates, which are high. The system is not perfect and from time to time ads break the rules. In the past few years we have put a lot of effort into ensuring the industry understands the stricter rules introduced in 2005. There is a little bedding-in time. Sometimes we wish that was not the case but that is the reality we face. I do not accept or understand the conclusion that a lot of ads are aimed at young people. That is not what we find when we look at representative samples of advertising.

Q503 Chairman: Ms Stross, though it may not be your direct responsibility have you ever looked at the level of advertising for drinks that appeal to young people, for example white ciders and products like that where the unit costs are very low and they are consumed by people who have what we call problems? Have you ever looked at whether such things are advertised more than other forms of alcohol?
Ms Stross: The amount of money spent on advertising on TV has been fairly steady over the past several years.

Q504 Chairman: I am looking at the products that potentially cause antisocial behaviour in society and clearly pose a threat to the health of the individual concerned.
Ms Stross: Within a steady total you certainly get increases and decreases in the amount of advertising of particular kinds of drinks. You may perhaps be referring to cider advertising on TV which increased considerably and fell back a little in 2008 after a big spike in 2007. One sees cycles driven by fashion or perhaps a particular company's decision to put a big marketing spend behind its product.

Q505 Dr Stoate: I would like to refer to a recent evaluation that you carried out or was carried out on behalf of ASA and Ofcom into the new controls on ads focused at young people. That evaluation says that "there has been no change in how much young people say they like the adverts and there has been

an increase in those saying the adverts make the drink look appealing and would encourage people to drink it." Is that a success or failure?
Ms Stross: To give that a little bit of context, when that research was undertaken by the ASA and Ofcom we specifically looked at the ads we felt were at the margins of acceptability under the rules. The ads that we evaluated in the research sessions with young people were not a random sample of television alcohol advertising. They were particularly at the "edgy" end and you must place the results in that context. Having decided to use that research methodology, when we did the second wave of research we found it was more difficult to find "edgy" ads than it had been when we did the research before the rules were changed, which I think is reflective of the fact that the tightening of the rules have had some effect. What young people said to us was that while they might find the ads interesting or amusing and they could encourage people to drink they were less likely to say that the ads were targeted at them. Like all qualitative research you have to look at the thing in its entirety, but we were deliberately researching the potentially more problematic advertising on TV.

Q506 Dr Stoate: I accept that, but in your written submission you describe the findings of the evaluation as "positive". Surely, that cannot be seen as a positive contribution to public health.
Ms Stross: We were using "positive" in the sense we felt the rule change had been effective. I am not sure we were evaluating the effect of the rules on public health.

Q507 Dr Stoate: I am still not sure how you can say the rule change has been effective when there has been an increase in the number of people who think that ads make the products look appealing and would encourage people to drink them. I am slightly confused about how that can be seen as a success.
Ms Stross: The point is that the young people we were specifically talking to in the research did not feel the ads were targeted at them, so they were talking slightly more hypothetically about the effect the advertising might have on other people and believed it was less focused on themselves.

Q508 Dr Stoate: But to say that it was not aimed at them but they found them rather good is a specious argument. I do not quite see the distinction.
Mr Parker: I think there is a distinction between saying you think an ad will make you drink more and saying you think an ad may make the audience of the ad drink more. In our research there were certainly results that caused us to stop and think. Those two particular responses from young people were the key ones that made us stop and think and ask ourselves whether we had got that bit of it right, but the research covered a lot else. We took some reassurance from the fact that for the under-18s who responded to the question, "Are the ads aimed at people like me?" the net score was reduced from −11% to −33% which is a big reduction. For the two findings you mentioned about which we were not so happy the net scores for the under-18s increased from 22% to 29% and from 21% to 26%. I believe those are statistically significant increases. That was what caused us to think whether we needed to do more here. We did not go into the post-research knowing what the results would be; there is no point in doing research if that is the case. We learnt from it. We had extensive discussions about it with the ASA council and asked ourselves whether we were always getting it right when we adjudicated on cases. In the past year or two we have taken some decisions that maybe we would not have arrived at prior to the emergence of the 2007 research. I do not know whether you have the figures, but I can certainly share them with you. As to the number of ads and campaigns we have upheld against, there were rather more in 2008 than in the previous two or three years. One must be very careful about saying that is caused by our reaction to the 2007 research. As always, there are lots of factors that may have affected it, but it probably did play a part in it.

Q509 Dr Naysmith: In that same research report you talked about "kiddult marketing" which "blurs the fixed lines between adults and children". Do you think the current regulations protect children from "kiddult" advertising?
Mr Parker: I think the rules do and that our interpretation of them does so. It is very often all in the interpretation. That is why the 2007 research, the other research that is around and our feedback from consumer events and other engagements we have with the public are so useful. It gives us a better handle on whether we are getting the balance right and drawing the right conclusions. We are very careful to ensure that ads do not have youth appeal and contain elements that reflect youth culture. It is never a black and white situation. Very often these decisions are not easy to come to because there are quite good arguments on both sides, but we have an undoubted tradition of interpreting these rules strictly. What I am really talking about are varying degrees of strictness. If you spoke to those in the industry—I daresay you will in future sessions—they would corroborate that. Quite often they take issue with the specific decisions that we reach because they think we are being overly strict even though they are generally supportive of self-regulation.

Q510 Dr Naysmith: It must be a particularly difficult when you have to avoid links to youth culture and sporting success with alcohol sponsorship of music festivals such as T in the Park and premiership football. You said there had been a 30% reduction in the amount of advertising that young people see on television, but does that include the names of drink companies on footballers' shirts and things like that?
Ms Stross: No.

Q511 Dr Naysmith: That could represent an increase while at the same time there is a reduction in direct advertising?

Ms Stross: That is theoretically possible. My statistic referred to the number of occasions on which one young person sees an alcohol ad. That has certainly dropped, but I do not have the measurements for either sponsorship or the kind of thing to which you are referring, for example where somebody wears a football shirt with a logo on it. That kind of sponsorship exists entirely independently of the broadcast world; that is football team sponsorship.

Q512 Dr Naysmith: But there is quite a lot of football broadcasting nowadays. We see these ads when matches are broadcast.
Ms Stross: That is true. It is not an area that we are able directly to regulate. That is the regulation of football rather than TV broadcasting.

Q513 Dr Naysmith: It is not within your purview because it is not direct broadcasting, but do you measure that?
Ms Stross: I do not know of a way to measure it. It would be extremely difficult. Not only do you have to measure how much there is but how much it is watched. There are precise systems to do that with advertising.

Q514 Dr Naysmith: It would be really interesting to try to measure whether or not it had any effect but you cannot do that.
Ms Stross: In a sense that harks back to the point made by the ScHARR report. It is very difficult directly to link promotion to consumption effects. That link is more difficult in the case of advertising and promotion than it is with price.
Mr Parker: There is a limit to my knowledge on sponsorship for the simple reason that the codes do not cover such arrangements. They cover advertising for sponsored events and they are subject to the same rules that apply to other ads, but I know a little about the European Sponsorship Association because it is a member of the European Advertising Standards Alliance. It joined relatively recently. I think it has recently published a survey on alcohol sponsorship which is available on its website and you may find some of the answers you seek there.

Q515 Dr Naysmith: How effective do you think the current controls are on internet and viral advertising? Are there controls that work?
Mr Parker: This is for me because predominantly it is non-broadcast advertising. We cover a fair amount online: paid for advertising; sales promotions wherever they appear; direct marketing emails; and viral advertising. We do not yet cover marketing communication messages on companies' own websites, but there are advanced discussions within the industry looking at extending the remit of the system to cover just that. I hope they will very soon be in a position to announce that that will happen.

Q516 Jim Dowd: I am looking here at a chart taken from the 2007 report to which reference has already been made. It refers to "total alcoholic drinks commercial impacts" and reveals a welcome decline over the period 2002 to 2006 which covers the latest figures available when the report was compiled. I do not fully understand it. Can you tell me what a commercial impact is?
Ms Stross: A commercial impact is one viewer seeing one television ad. I think that the chart you are looking at refers to viewers of a particular demographic group—10 to 15 year-olds—so the question is: how many times did 10 to 15 year-olds see an advertisement for alcohol in each year?

Q517 Jim Dowd: It appears to indicate that 11 year-olds were not exposed to these commercial impacts as often as 23 year-olds. But there are 181 impacts for 23 year-olds compared with 130 for an 11 year-old. Why on earth are 11 year-olds being impacted by alcohol advertising?
Ms Stross: I think it is because the average 11 year-old will watch some programmes that are made specifically for children where you would not find alcohol advertising, but they also find the same programmes appeal to them to some extent as appeal to people in general. Therefore, I presume that the 130 impacts to which you refer are ads that they see in and around programmes that are not targeted specifically at young people but are popular with the general audience.
Mr Parker: That is the reason why ostensibly there are two levels of protection when it comes to TV advertising, first through the scheduling rules to prevent an affinity with or association between programming for young people and alcohol advertising. But no one is saying that that reduces all exposure; it does not. That is why you have the second level of content rules to deal with the fact that there is some exposure.

Q518 Jim Dowd: Effectively, this is collateral damage rather than grooming, for example?
Mr Parker: I do not believe I would use those words. The content and scheduling rules come as a package. I think that package is important given the situation you would have in society without it.

Q519 Jim Dowd: You say there is no ulterior motive to market alcohol to 11 year-olds; there is no sub-text here?
Ms Stross: Advertisers are generally responsible and comply with the rules. It is also the case that what that chart measures is all alcohol advertising. That will be for the full range of alcoholic drinks products some of which will be more and some less appealing to young people. There may be products that are advertised within that in which, frankly, young people are very unlikely to have any interest but they happen to see an ad for it during a programme they are watching on TV.

Q520 Jim Dowd: We come to the thorny question of age. Part of the code is that advertising must not appeal to those under 18. What devices are in place to ensure that an advertisement can legitimately appeal to an 18 year-old but not a 17 year-old?

Mr Parker: There are the scheduling placement rules we talked about and the content rules. A good example of one of the content rules applicable in this area is that people who feature in alcohol ads should not be under 25, nor should they look under 25.

Q521 Jim Dowd: Who judges that?
Mr Parker: Ultimately, the ASA council will take a decision on whether or not they think someone looks under 25. It is easy to find out whether or not they are under 25; the judgment about whether they look under 25 is obviously a subjective one. But a lot of the judgments that we have a responsibility to make in all spheres of advertising are subjective. The straightforward question of whether or not an ad is likely to cause serious or widespread offence is ultimately a subjective judgment, so we have a lot of experience of doing that. I think that is a good example of a rule set at a very high level to make sure that people in alcohol ads who drink, participate or play a central part in them are not individuals who some may think are under 18.

Q522 Jim Dowd: To be certain that is the case you have to set the threshold a lot higher, would you not? If you used pensioners with zimmer frames and things like that it would be obvious they were not 25. To be certain you would have to set it a good deal higher than 25 given it is a subjective judgment.
Mr Parker: We think that the seven-year gap is sufficient and allows us to take the right decisions. We do not receive many complaints about the ages of people featured in alcohol ads; when we do they are ads that depict family occasions when there are children who do not play a central role in the ad and obviously are not shown drinking. I do not think there is a general concern that that rule is set at the wrong level.

Q523 Chairman: We have all been through this. When you were 14, 15 or 16 did you not aspire to be 18, 19 or 20? In adolescence you want to be old; when you get to my age you want to be younger. I listened to the arguments about age and advertising throughout the debates we had on tobacco. With all respect to you, the idea that somebody aged 16 or 17 does not aspire to be a bit older at that time is unrealistic.
Mr Parker: I am sure that is true of a lot of the under-18s.

Q524 Chairman: What does the code mean?
Mr Parker: The system is there to make sure that ads comply with the rules and that advertising is responsible and targeted appropriately. I do not think you can draw a link between the fact a lot of under-18s may aspire to be and behave older and the ASA CAP regime for regulating alcohol ads. We are there to make sure that the ads comply with the rules and CAP and BCAP are in the process of looking at whether or not to change those rules taking into account the evidence out there. I believe that is the right way for things to be at the moment.

Q525 Chairman: That is how the system works. Is it the case that you cannot fix rules in this area and it is very likely that rules that are fixed for 18 year-olds will attract people who are younger than 18, or do you believe that cannot be the case?
Ms Stross: The intention behind the rules is to protect all people who are under 18. I am sure that in interpreting whether or not an ad complies with the rules you would probably recognise that young people are aspirational in the way they live their lives generally, not just in relation to advertising. Guy has talked about the current consultation process. The ASA and BCAP within it will arrive at a proposed set of rules for broadcast advertising at the end of the process that they feel is right. That proposed set of rules will go to Ofcom which will look at the proposals that the ASA makes and at all the evidence it has received in order to arrive at those judgments not just in relation to alcohol but the code as a whole. The content board of Ofcom ultimately has responsibility for approving or otherwise the proposed code that is put in front of it some time around the end of the year. There is almost a three-stage process for looking at the code. The ASA and BCAP themselves have a body called the Advertising Advisory Committee which is a lay body whose advice they must take into account and Ofcom has final sign-off on the code.

Q526 Chairman: Are there any examples in the papers you gave us this morning where you have rejected it on the basis that the ad would appeal to somebody under 18?
Mr Parker: There are four or five.
Chairman: It would be nice to have comparators showing what would and would not appeal to somebody under 18 years of age.

Q527 Dr Taylor: A specific example of a controversial marketing campaign is Lambrini. We are told that last December the Committee of Advertising Practice advised against the use of Coleen Rooney because she was obviously under 25. Do you regard that as one of your successes or is the CAP entirely separate from you?
Mr Parker: That is the CAP copy advice team to which I alluded earlier. I have been referring to it as the copy advice team. I understand that that team was in discussion with Halewood International about that.

Q528 Dr Taylor: To get rid of Coleen Rooney from these actual ads is one of your successes?
Mr Parker: She could not have appeared legitimately in ads.

Q529 Dr Taylor: You said that the codes did not cover sponsorship. Is that why the firm immediately transferred her appearances and advertised the sponsoring of her ITV television show?
Ms Stross: That comes to Ofcom because we regulate sponsorship on television. The rules on sponsorship are in effect the same as those that apply to advertising, so she could not have been involved in the sponsorship of a programme herself within a

sponsorship credit because she is under 25. You could not have seen her in what we call the sponsorship break bumpers that sit in front of and behind a programme to show that it is sponsored. One must then look at the nature of the programme being sponsored by an alcohol brand. The programme Lambrini is sponsoring is not one that in our judgment is of particular appeal to young people. It appears post-watershed and it is a chat show. I do not believe it is targeted at the under-18s. Whilst she may be hosting the chat show what you cannot do within the programme is make promotional references to the sponsor in any way. That is absolutely against the sponsorship rules.

Q530 Dr Taylor: That is within the programme?
Ms Stross: Yes.

Q531 Dr Taylor: But we have been given an example of an advertisement for the programme which at the top says "Lambrini sponsors *Coleen's Real Women*" with a nice picture of her. Then it goes on, "Lambrini is the number one wine style drink in the UK. A bottle of Lambrini is sold every second. Stock up now!" with big pictures of Lambrini bottles underneath. In the tiniest print at the bottom we see, "Please drink Lambrini responsibly."
Ms Stross: I am not familiar with that particular use but I do not think that is on television because you would not be allowed to use a selling message like that within television sponsorship.

Q532 Chairman: If we are told that people under 25 should not be used for advertising alcohol what does this mean?
Mr Parker: We looked into this issue yesterday having had relatively short notice that we might be questioned on it. There is a limit to the amount we have been able to find out in the past 24 hours. We do not believe that any Lambrini ads referring to the sponsorship of the programme, which I believe is called *Coleen's Real Women*, have appeared in the media that are subject to the codes. I cannot say for sure but from the readout it looks and sounds like trade PR on the website perhaps and is aimed at retailers that might be deciding what to stock and what not to stock. If the remit of the system is extended further to cover more online maybe this sort of thing would fall under the rules, but it does not at the moment. Were there to be a poster ad in pay for space or a print ad along the lines you suggest certainly we would want to take a very careful look at it.

Q533 Dr Taylor: We would ask you to look into this because on the face of it if this sort of thing is around it makes a mockery of the regulations. Clearcast told Lambrini that its strapline "Lambrini girls just wanna have fun" was unacceptable and had to be changed. We are told that that strapline still appears in a variety of places: 10 to 30-second TV ads, tube posters and on Blackpool trams, bus ends and taxi wraps and there was no mention of it being banned in 2007. We are told that that strapline still appears although it was meant to be banned.
Ms Stross: If Clearcast who are pre-vetting the content of television advertising have said that a strapline is not acceptable it absolutely should not be on television—end of story. I cannot speak for the other non-broadcast media, but Clearcast pre-vets and if it says an ad contravenes the code no broadcaster will schedule that ad.

Q534 Dr Taylor: Again, does it not make a mockery of the system? If these things still appear and advertisers are breaking this rule what punishment should be handed down? Do you have any punishments available?
Mr Parker: We talked a little earlier about sanctions, but it sounds from what you said that it is more non-broadcast than broadcast. I am afraid I do not know anything about the situation. I must look into it and get back to you, which I would be happy to do.

Q535 Dr Taylor: Are we just touching the tip of the iceberg? Are there lots of other controversial marketing campaigns that do not come before you and you do not spot?
Mr Parker: I do not think that is the case. I can comment only on the marketing communications that are subject to our codes because that is what we seek to regulate and make sure it is responsible and complies with the rules. I just refer back to the comments I made about our compliance surveys that cover all media we regulate. Those have consistently shown there is not a general problem with non-compliance. There are specific concerns we pick up and address. The 2006 compliance rate of 95% was at the lower end of what we considered acceptable and caused us to respond. I do not believe there is a general problem with advertisers flouting the rules.

Q536 Dr Taylor: We could ask you to look into those two particular aspects and get back to us.
Ms Stross: Yes.
Chairman: I understand that one of the straplines to which we have referred is not being broadcast but is streamed on the website.
Jim Dowd: It is a narrowcast.

Q537 Dr Taylor: Is there any control over what can be streamed on the website?
Mr Parker: That is precisely what the industry is looking into at the moment in terms of extending the remit. It is because of concerns that there is a remit gap that that is being done amongst others. We also receive a lot of complaints from members of the public about the content of companies' own websites. A lot of them do not understand when we write back why it is not subject to the codes because as far as they are concerned it is advertising. We are hopeful that soon there will be good news on this front and the rules will be applied further in the digital area and will capture this sort of thing.

Q538 Dr Taylor: At the moment there is no control over what goes on a website and you think there could be in future?

Mr Parker: There is not an absence of any control because paid for space online like banner ads, popups, skyscrapers and such formats are subject to the rules and have been since the internet became popular, but the actual content of companies' own websites has not been subject to the rules and it is to the marketing communications in that space that the industry is currently considering extending the rules.

Q539 Jim Dowd: You say that you can institute controls but these are only by consent. Technically, you cannot institute physical controls. What happens if one advertiser says it will not do it? What sanction is there against the advertiser pulling out of the ASA regime altogether?
Mr Parker: You cannot opt in or out of the regime; it is not voluntary. The industry funds it and if it thought there was no point to it presumably it would pull the plug and the ASA would cease to exist and something else would have to take its place. Compliance with the rules is not voluntary. There are various sanctions to which I have alluded that we could and would seek to bring to bear. One matter that the industry group is looking at in the context of extending the remit is exactly the point to which you allude. What sort of enforcement action can be brought to bear? In the vast majority of cases there are pretty powerful sanctions that could be brought to bear. In the area of truthfulness, misleading content and comparisons, which covers a huge number of the issues that we deal with on a daily basis, the OFT acts ostensibly as a backstop. If we run into trouble with a company because it is persistently or flagrantly breaching the rules we will refer it to the OFT and it can take action under the Consumer Protection Regulations. On the broadcast side we have talked about Ofcom having backstop powers. There are other sanctions we can bring to bear in different areas. One thing we will have to grapple with is whether we would always be able to enforce our decisions if the remit was extended. My view is that the benefit of extending the system significantly further in the digital area far outweighs the risk that from time to time there will be small companies that do not care about their reputations and will want to flout the rules and against whom we will find it difficult to enforce the rules. The balance has changed greatly in the past few years in that respect and it is now worth our doing it.

Q540 Mr Scott: I refer to two types of campaign that are running on TV to the best of my knowledge. One is built on the theme of socialising and presenting a particular brand of beer as one of the lads that can engage with other blokes in a group. Would that contravene the code? There is also an ad for a vodka brand which says that it "releases the Super Me. . .because when I drink it I feel I am in the know and part of an elite group." I have never heard of the brand but that is neither here nor there. Would those two ads contravene the rules?
Mr Parker: I have never heard of the last one you mention. You will understand that I cannot give you a definitive judgment now on whether or not it is in breach, but I can talk a little about the issues you raise. The first example you gave involving the beer brand is an interesting one. We considered it very carefully. The judgment we came to in the end was that it was on the right side of the line, but it was not an easy judgment to come to. We thought that the general message of the campaign was about conviviality, taking part in social occasions and rejoicing in that. We did not think the implication of it was that if you drank the product you would go from being a loner to someone with lots of friends. There was a good deal of consideration and discussion about it in several ASA council meetings because we looked at several ads. I shall be honest and say they were not easy decisions to come to.

Q541 Chairman: Ms Stross, has the current economic climate been tough on advertising in terms of bringing in revenue for different organisations?
Ms Stross: Absolutely. Advertising revenues on TV have fallen significantly. I believe that last year they fell by about 5%. We expect TV advertising revenue to fall by at least 15% this year and maybe a few more per cent next year. There has been a real reduction in spending.
Chairman: I thank both of you very much. We have had an interesting and informative session.

Witnesses: **Mr Derek Lewis**, Chairman, The Drinkaware Trust, and **Mr David Poley**, Chief Executive, Portman Group, gave evidence.

Q542 Chairman: I welcome you to the fourth evidence session in our inquiry into alcohol. For the record perhaps you would give your names and the positions you currently hold.
Mr Lewis: I am Derek Lewis, chairman of the Drinkaware Trust.
Mr Poley: I am David Poley, chief executive of the Portman Group.

Q543 Chairman: Who funds the trust and the Portman Group, and what is the relationship between the two bodies?
Mr Lewis: The trust is funded by the alcohol industry and at this point in its history the Portman Group has been the largest single contributor to its funding.
Mr Poley: The Portman Group is funded by nine major drinks producers and we are committed to giving the Drinkaware Trust about £2.2 million a year for each of the first three years of its operation.

Q544 Chairman: I understand that at the moment you have some targets for raising funds as opposed to a system of voluntary contributions. Is that something you can share with us?

Mr Lewis: The trust was set up in 2006 and commenced its activities at the beginning of 2007. A memorandum of understanding was signed between government and the devolved administrations and the alcohol industry, in this case represented by the Portman Group, which set some targets for the funding of the trust of £3 million, £4 million and £5 million respectively for the years 2007 to 2009.

Q545 Chairman: Do the major supermarkets contribute to the fund?
Mr Lewis: They do. At this point the bulk of the funding comes from the Portman Group but we get money from the major supermarket and off licence chains as well as a number of members of the on trade pub companies.

Q546 Dr Stoate: I want to ask whether the Drinkaware Trust meets its target. Mr Lewis, you said that you had targets over three financial years. Are you anywhere near that in terms of the money you get?
Mr Lewis: We are some way off it. To be honest, the current level of funding is disappointing. For the past two years it has been approximately £2.7 million and this year it may be rather higher than that, but it will still be about 40% short of the £5 million target. There are some extenuating circumstances in that the trust got off to a somewhat slow start and did not spend in its first year and a half the majority of the funding subscribed so that made it difficult to ask for additional money from the industry at that time.

Q547 Dr Stoate: But you are 40% short on your current target. That is not very encouraging. What will happen after three years because you have got only three years' funding from the Portman Group?
Mr Lewis: That is the big issue. Our attention now is focused not on the first three years but what happens after the end of this year. We are in the middle of a review of the Drinkaware Trust one of the key objectives of which is to establish a rather better basis for funding for 2010 and beyond. That needs to achieve two things: first, to ensure there is an adequate minimum level of cash funding from the industry, which I suspect needs to be at least at the £5 million level targeted for 2009; second, to ensure we have wider participation across the industry and an equitable basis for asking members of the industry to provide contributions.

Q548 Dr Stoate: Since they are all voluntary and you have managed to achieve only just over half of what you said you would start with, do you have much optimism? We are talking about £5 million-plus in future when the Portman Group has already said that it will give you only three years' funding.
Mr Lewis: I am always optimistic.

Q549 Dr Stoate: But in real terms you have about nine months to sort this out?
Mr Lewis: We have rather less than nine months because we need to ensure we have visibility of future funding before we get to the end of this year; otherwise, it will be quite impossible to plan our programme of activity for 2010.

Q550 Dr Stoate: What does that tell you about how the drinks industry sees you?
Mr Lewis: I think there are some extenuating circumstances over the past couple of years: not only the slow start but the surplus of cash on the balance sheet and to some extent the economic environment. We are going into the review with a very clear set of objectives which are essentially those I have just described supported by government. There is support from the industry to achieve a successful outcome. As part of the Drinkaware Trust review we also have the benefit of an independent audit of the effectiveness of the trust during its first two and a half years' existence. That is nearing completion and it will reinforce the need for at least £5 million of cash funding from the industry for the trust to be able to be effective.

Q551 Dr Stoate: I agree with that, but while we are at it let us do some naming and shaming. Tesco provided a grand total of £75,000 out of gross profits of about £2 billion last year. Waitrose managed a cool £5,000. I do not know about this year, but Asda did slightly better at £30,000 last year, and Sainsbury's and Lidl provided about £50,000. That not much of a ringing endorsement, is it, if the retailers can come up with a total of £95,000 this year?
Mr Lewis: I think the proof of the pudding will be in the success of our current set of discussions with the industry. If out of that we can come up with a formula whereby the industry commits to that minimum level of funding in which all sectors of the industry play an equitable part that will be a success. We can then consign the details of the first three years of funding to history. In my view that is our key task at present.

Q552 Dr Stoate: I am a bit of a cynic. To put a straightforward question, how does the industry funding of social marketing campaigns compare with the money spent on marketing their products? How would you put those two in context?
Mr Lewis: I am not sure you can necessarily equate the two. I am sure those from the industry would give a better explanation of that. Clearly, the amount of money that so far has been subscribed to the Drinkaware Trust is dramatically less than the amount the industry spends on marketing and promotion.

Q553 Dr Stoate: Mr Poley, we are talking about £2 $\frac{1}{2}$ million for the Drinkaware Trust. What is the advertising spend for the industry?
Mr Poley: I am not exactly sure but I would guess it is in the region of £150 million to £200 million a year.

Q554 Dr Stoate: So, we are talking about 1% or possibly 2% of the actual advertising spend being spent on social awareness campaigns?
Mr Poley: Quite possibly, yes, but we are comparing two different things. Money that is dedicated to social responsibility campaigns and the promotion of responsible drinking should not be compared with brand advertising, the implication being that the latter encourages or promotes irresponsible drinking.
Dr Stoate: But it gives you some reasonable comparison. If the industry is prepared to spend £150 million on advertising its products and only £2 $\frac{1}{2}$ million on promoting social responsibility in drinking I think we can draw our own conclusions.

Q555 Chairman: Do supermarkets do things outside your organisations and within their own stores to promote social responsibility?
Mr Poley: I should clarify that the Portman Group is a drinks producer organisation, we are the dedicated social responsibility organisation for drinks producers. We can speak only on behalf of that sector of the industry.

Q556 Chairman: Do you think that they spend more money on social responsibility than they put into the trust?
Mr Lewis: They do. It varies according to the supermarket chain but they certainly have their own initiatives in many cases. They also provided in-store space for a campaign that we ran last year to promote the messages we were trying to communicate about sensible drinking, and the industry which includes the supermarket chains proposes to take a further initiative to address the young adult market which is one we have not had the funds to address at this point.

Q557 Jim Dowd: Supermarkets retail substantial volumes of own label product. Does that not bring them within your purview?
Mr Poley: No. Our nine member companies will account for about 50% to 60% of the UK alcohol market in terms of value.

Q558 Jim Dowd: Would they tend to be the people from whom the supermarkets get their own label stuff?
Mr Poley: I do not believe so. Our member companies will generally have well-known premium brands as opposed to supplying the supermarkets with own brand label stuff.

Q559 Dr Taylor: As the Portman Group is funded by the drinks industry I admit a conflict of interest in that I have a very small number of Diageo shares. I shall not enlarge on that. Mr Lewis, you are quite an experienced witness; you have appeared before us in other inquiries in the not too distant past. You mentioned the effectiveness of the Drinkaware Trust which is to promote sensible drinking. Could it be that the Portman Group is looking to reduce your funding because you are being effective in promoting sensible drinking which is what we want but not what the drinks industry wants?
Mr Lewis: The Portman Group has been the most stalwart group in funding the trust.

Q560 Dr Taylor: So far?
Mr Lewis: Yes.

Q561 Dr Taylor: But you are so good that they will remove it?
Mr Lewis: The Portman Trust has made no suggestion that it will reduce its commitment. We always hope that it may increase it. An important point to dwell upon for a moment is that the trust is an independent organisation with a very specific remit which is to provide information and education. It is evidence-based so that the consumers of alcohol and other interested parties can make informed judgments about how they use it. The question sometimes raised is whether that is possible when the funding comes from the alcohol industry and we have on our board people who are employed by it, but the trust does defend its independence with great rigour. We view the presence of people on its board from the alcohol industry as helpful because it brings a considerable amount of expertise, but they are in a minority. When they are on the board they are there to represent the interests of the trust, not their parent organisations.

Q562 Dr Taylor: How do you respond to suggestions that you were established to provide an acceptable face for the alcohol industry?
Mr Lewis: I do not think that is true at all. My judgment is that those from the industry who were instrumental in establishing the trust had a genuine and serious concern to make a contribution to dealing with the problem of alcohol. They have been very positive and helpful in supporting the work of the trust. I sense no hidden agenda on their part in trying to influence the activities of the trust to mitigate its effect and help their own interests as companies.

Q563 Dr Taylor: Your stated aim is to promote responsible drinking. How do you get that across to younger age groups?
Mr Lewis: We have established two principal target audiences for our work: one is underage drinkers, the under-18s; the other is the mature adult drinkers. We chose those because they were not being extensively addressed by other agencies. In the case of the underage drinker it is a difficult audience for the alcohol industry to address directly anyway. A lot of the conventional media approaches are simply not appropriate and any communications programme that appears to be adults telling children what to do is almost bound to fail. For that reason we have been relatively slow in developing our own strategy. We have undertaken quite a lot of research about what will and will not work in that area. We also have a portfolio of activities now being launched. A lot of that is around education,

supporting teachers and others in their work with children; a lot of it is around developing peer-to-peer programmes so that children learn from their own peers in a way that is not threatening to them. We do that both through our own programmes and some of the grants we give, such as a substantial one we gave recently for a programme that incorporates an alcohol education element in a sports-related programme for children in the London area.

Q564 Dr Taylor: If you really were successful and got drinkers to keep to recommended guidelines what would be the effect on sales?
Mr Lewis: I have not calculated that. Undoubtedly it would be a significant effect, but everyone on the board of the Drinkaware Trust would regard that as a major accomplishment and a real market success. We are a long way off that; this is a long-term programme.

Q565 Dr Taylor: So, you really value your independence from the industry?
Mr Lewis: Absolutely; we zealously guard it.

Q566 Dr Taylor: Even though your results could go against the interests of the industry?
Mr Lewis: Yes. We have very strong representation from the health community. In the room today you have an adviser who is one of our trustees, and one of the witnesses from the health community who is to follow is also a trustee. I think that that together with the presence of three entirely independent trustees is the safeguard of the independence of the organisation.

Q567 Dr Naysmith: This area is bedevilled by the fact that evidence on the effects of advertising is sometimes quite difficult to obtain so people tend to argue from both sides of the same piece of research and say it supports both arguments. There are, however, nowadays some good reports. The World Health Organization report *Alcohol: No Ordinary Commodity* presented evidence and argued that public education was one of the least effective policy responses to the problems of alcohol because it promoted measures that tended not to interfere with companies' business operations rather than more effective measures which some of us suggest would adversely affect profitability. You are both engaged in the area of trying to educate the public. Mr Lewis has suggested some novel ways of doing it that probably have not been tried before. What do you think of that report? It is probably the least effective thing you can do to try to control the amount of alcohol that is abused by the population.
Mr Lewis: I am not sure I can tell you which of the various activities will be effective. It seems to me there is a requirement for a portfolio of activities to deal with the very serious problem of excessive alcohol consumption and harm, but I believe that education and information has a vital part to play in that because there is evidence that it can be successful. We have some early indications of that in our own work. You may have seen the campaign *How Much is Too Much?* that we ran in major metropolitan areas last autumn The research from that showed an encouraging level of awareness of the advertisements and a very high number of people, about 75%, said that it had caused them to stop and think about their alcohol consumption and might lead them to change their behaviour. We have also seen a massive increase in traffic on our website. We now have about 130,000 unique visitors a month to our website. That is a very significant audience of people who voluntarily seek information about alcohol and its effects. One must believe that over time—it will take time and commitment—that will start to have an influence on behaviour, but it is only one component. In any event, it seems to me there is an obligation on society to make available the right information about the effects of alcohol. For example, a car manufacturer would not dream of producing a car without a handbook that had all the safety advice in it. Equally, when marketing a product like alcohol it is an imperative that that same safety advice is made widely available and accessible to those who use the product.

Q568 Dr Naysmith: We know that in society and in medical terms the harm caused by alcohol is increasing, in some areas quite rapidly. We know that price can have an effect on alcohol consumption. Maybe the effect is not quite as direct as with tobacco but it is similar. Would it not be much more sensible to introduce policies to try to limit the amount of alcohol consumed particularly by young people which we know work much better than education which all the evidence suggests may or may not have an effect?
Mr Lewis: I do not think it is an "either or" but an "and and" question. There must be a role for information; people have the right to have access to evidence-based intelligible information. Equally, there is a place for other measures as well. It is not the role of the Drinkaware Trust to advise governments or other bodies on their activities other than acknowledge that it simply fills one particular need in a spectrum of activities.

Q569 Dr Naysmith: Mr Poley, in the past I have had numerous discussions with representatives of the Portman Group. They argue that the drinks industry engage in advertising in order to encourage the consumption of one brand rather than another but then they deny that it encourages an increase in alcohol consumption overall. I just think it is very unlikely that that is true, but what do you think of it in the context of what we have just been talking about?
Mr Poley: Perhaps I may first address the question of education. We hear the argument that education does not work. To my mind, this is a completely wrong argument. One needs to look only at the example of drink driving for evidence of how it can work. Over the past 25 years deaths from drink driving have been slashed by about 70% in the UK. That is due in part to strong law enforcement but in large measure it is also due to the sustained educational campaigning that has gone alongside it; it has transformed attitudes and subsequently

behaviour. The Department for Transport conducts tracking research to measure attitudes and so on. If you go back to 1980, 60% of people agreed with the statement that it was hard to avoid drink driving if you were to have a social life. By the end of the century that figure had been slashed to just 25%. That has been achieved through education and I believe we can do the same in terms of attitudes to public drunkenness provided the campaign is sufficiently long and it is accompanied by strong law enforcement. To turn to the question of the advertising effect, there is a wealth of evidence to demonstrate that the predominant effect of advertising is to cause brand switching. Even the report from the University of Sheffield commissioned by the Department of Health last year found that the evidence for the effect of alcohol advertising upon consumption was relatively weak. At best it will have a slight effect.
Dr Naysmith: I am not sure the evidence on that is quite as good as you suggest.

Q570 Mr Scott: Do you accept the problems associated with alcohol are best tackled at a population level through policies such as perhaps minimum pricing and controls on the level of alcohol advertising rather than through information campaigns?
Mr Poley: We believe that the best way to tackle alcohol misuse is to focus on the misusers rather than try to get everyone in the whole population to drink less. In the UK at the moment it is estimated that 7% drink 33% of all the alcohol. It is this minority, and the minority who occasionally drink to excess on particular occasions and cause harm, on whom we should focus. If you reduce alcohol misuse it is true that it is likely that per capita consumption will go down as a result, but you should be doing it that way round. You should focus on the misusers rather than try to get everyone to drink less and, within that, capture the minority who happen to be misusing alcohol.

Q571 Mr Scott: Do you accept that the evidence put forward to us clearly shows that advertising increases both the uptake of drinking and consumption among young people?
Mr Poley: I think it will be a weak effect at best. The Sheffield report looked at what might be the effect of a complete advertising ban and concluded that it might have a positive effect on consumption and harm but conceivably it could make things worse and result in people drinking more. There is no strong evidence to suggest that advertising is one of the significant influences on consumption and harm.

Q572 Mr Scott: But evidence has come from the European Court of Justice, the European Union Science Group, three peer reviews and systematic literature reviews and that has now been endorsed by *The Lancet*. Do you say they are all wrong?
Mr Poley: There is a variety of research out there and, depending on the researchers and the methodology they use, they arrive at different results. That is why when Sheffield tries to estimate the effect of an advertising ban it has some research, all of which has been peer-reviewed, that says it is a good thing and also some research saying it is a bad thing. One can always pick and choose research that backs up one's particular view. The fact is that when it comes to advertising the study carried out by Sheffield suggests that there is a confused picture out there. There is likely to be some impact on overall consumption but we should not overestimate it.

Q573 Mr Scott: So, you believe that all of those are incorrect?
Mr Poley: There will be other studies that can be set against them and I suggest we should come to a different view.

Q574 Jim Dowd: I should like to do what Members of Parliament are most eager to do and quote myself. I put the following question to a couple of academics who appeared at our first session of evidence in April. Referring to campaigns to promote responsible drinking by the drinks company I asked whether they regarded "them as (a) ineffective, (b) counter-productive or (c) total hypocrisy." Dr Anderson, a consultant in public health and adviser to the World Health Organization and European Commission, replied: "We would say that it is likely to be ineffective in terms of reducing harm. It is counter-productive in the sense that it leads to a more positive view about the alcohol industry serving the drinks which tends then to make people feel a bit easier about drinking. In a way it is hypocritical because if you were an industry wanting to be serious about reducing harm then you would have to be serious about agreeing to certain things that would reduce harm." He referred to something like minimum pricing or seriously reducing the investment in advertising. How do you respond to that?
Mr Lewis: There are probably issues about drinks companies conducting responsible drinking campaigns under their own brand names, but the distinguishing feature of the Drinkaware Trust is that none of its campaigns makes any reference at all to the drinks companies that provide the funding. They are issued under the Drinkaware Trust brand and we go to great lengths to try to ensure that the general public recognises the Drinkaware Trust as an independent organisation with the precautions I talked about earlier. It also now has an independent medical panel that vets all of the publications it issues to get to the point where the reality and perception among the public is that the trust is an independent source of information they can trust. The evidence is that we are progressively moving towards that point.
Mr Poley: As Derek says, the campaigns of the trust do not promote any particular brands. It is fine if companies choose to do either brand-based or corporate-based responsibility campaigns on top of that as long as they are done in a genuine way and are properly researched and not cynical. I would not automatically assume that they would be cynical. Our member companies along with others in the industry at the moment will use their brand

advertising, for example, to promote the Drinkaware Trust website address. That is responsible no doubt for driving an awful lot of traffic to that address. I believe it now has 130,000 unique visitors a month. No doubt a significant proportion of those visitors will have been driven there through the use of the site in brand advertising. I do not think that is cynicism on the part of the industry; it is a genuine attempt to help educate the public.

Q575 Jim Dowd: Presumably, you would equally resist the charge of hypocrisy?
Mr Poley: Yes.

Q576 Jim Dowd: What is the attitude of the witnesses to health warnings on alcohol products?
Mr Poley: All of our member companies are committed to putting certain information on their drinks packaging; that is to say, they have information that they put on voluntarily about the number of alcohol units they contain. They also put on the Drinkaware Trust website address and they will also have a responsible drinking message such as "Please drink responsibly". I do not believe it is necessarily appropriate to have a health warning on a drink of alcohol. Alcohol is not like cigarettes; it is capable of being misused but when drunk in moderation it is perfectly compatible with a healthy lifestyle. For certain groups when drunk in moderation it has health advantages. To put on a soundbyte in the form of a health warning label seems to me to be an unbalanced way to convey the complex information about the health effects of drinking.

Q577 Jim Dowd: Are you not being totally disingenuous? This inquiry and the nation generally are not concerned with the vast majority of people who drink responsibly. We are talking of a particular product with particular characters and a capacity for social disruption and the message is that drinking the product excessively can cause harm to yourself and others. I accept that you could, if you like, put that on a bottle of bleach, but we are talking here about alcohol. For the people who do not drink excessively it will have no impact whatsoever; for those who do drink excessively it may have no impact whatsoever, but it must be worth doing.
Mr Poley: You say there is no evidence that it will have a positive effect.

Q578 Jim Dowd: I did not say that.
Mr Poley: Where health warning labels are in effect elsewhere the evidence seems to indicate that it does not have a significant impact on people's knowledge and behaviour; indeed, it just becomes wallpaper and people dismiss it after a certain period of time. Having the information we have on the product at the moment in terms of directing people towards the Drinkaware Trust website where they can get comprehensive information is a more appropriate way to use packaging.

Q579 Chairman: I do not know whether the Portman Group has any publications about the Sheffield report, but I would appreciate its detailed views on the content of that report on advertising and maybe other things as well. It might help the inquiry.
Mr Poley: It is an interesting and thorough piece of work that is a very useful contribution to our knowledge in these areas.

Q580 Chairman: In view of what you said about advertising—you referred to brand switching which is an expression I have heard in relation to other matters—I should like to have on paper your views on it.
Mr Lewis: The independent audit of the Drinkaware Trust review will be available in a couple of days' time and we shall be very happy to make that available to the Committee, if that is helpful.
Chairman: That would be appreciated. Thank you very much for coming along to help us today.

Witnesses: **Ms Sonya Branch**, Senior Director, Markets and Projects—Goods, Office of Fair Trading, **Professor David Foxcroft**, Chair in Healthcare, Oxford Brookes University, and **Mr Alan Downey**, UK Head of Healthcare, KPMG, gave evidence.

Q581 Chairman: I welcome you to what is the fourth session of evidence in our inquiry into alcohol. Perhaps for the record you would give us your names and current positions.
Mr Downey: My name is Alan Downey and I am the head of public sector at KPMG.
Ms Branch: I am Sonya Branch, Senior Director at the Office of Fair Trading.
Professor Foxcroft: I am David Foxcroft, a professor at Oxford Brookes University.

Q582 Chairman: Ms Branch, to what extent does the OFT take into account the European Commission's judgment that all policies should be evaluated for their impact on public health?
Ms Branch: I believe you are referring to article 152 of the EC Treaty. I should clarify upfront that that is an article applicable to EU policies and activities. We are an independent government agency that applies UK competition legislation which is derived from EC treaty provisions. Article 152 does not directly apply to implementation of or the way in which competition legislation is enforced. It would however be relevant if, for example, you were looking at government measures taken on board at national level, but in terms of the specifics of competition enforcement, article 152 is not directly relevant.

Q583 Chairman: Do you believe that there are good grounds anyway for looking at public health measures?

Ms Branch: It is important to go back to the basics of what we do. We have the UK competition legislation to enforce and we do that with the wider mission to make markets work well for consumers. In that respect we look mostly at competition and the economic benefits to consumers. We are not a regulator and so do not have the luxury of choosing what rules we apply. We apply the rules that we have the statutory duty to do. In that remit we have the statutory role to advise government where its activities, measures or policies may impact on competition. For example, if there are measures to respond to concerns about a social good or perceived public policy issues that need to be addressed and there are detriments to consumers, markets or competition in general they are at least flagged so that in the necessary cost benefit analysis and balance can be carried out by the policymakers detriments to competition are taken into account.

Q584 Chairman: Where in all this should the balance be? Look at the promotion of alcohol in supermarkets at the moment. In one evidence session reference was made to the alcohol aisle. The promotion at the ends of most alcohol aisles is for all to see when they go to supermarkets. Somebody will argue that there is an issue about competition. This is something you can buy legally, but when we look at some of the offers we fall over when we walk into supermarkets at the moment clearly there are potential public health impacts. Who should win this argument: public health or competition and the consumer's right to buy at whatever price is on offer?
Ms Branch: Clearly, there are wider social policy issues. At times one hears that the obstacle is perceived to be competition law, but notably not the OFT itself. As to competition law it is important to recognise that there are lots of things that industry could do. For example, each of the grocery retailers could choose to act unilaterally to address those issues. To go back to basics, concerns would arise if you had an agreement amongst competing firms, say a set of grocery retailers, on issues relevant to competition such as pricing, promotions with pricing etc. But there are lots of industry measures and collaborations in relation to product placement which, if they did not have an impact on the competitive dynamics in the market, would be perfectly acceptable. To a certain degree you could have trade association guidance in principle on product placement if it did not have an impact on the way in which the market players were competing. From our perspective we need to ensure that the commercial independence and uncertainty that needs to be there amongst competing market players to get efficient, competitive markets are not removed.

Q585 Dr Stoate: In your written submission you suggested that minimum prices would have relatively little impact on demand. Have you seen the Sheffield report and the view of the Chief Medical Officer that minimum pricing would have a significant impact? On what do you base your findings?
Ms Branch: There are two points: first, we were asked specifically to look at the WHO data. We have not done any of our own—the OFT has carried out no specific, relevant research. Second, obviously the OFT, as party to the debate, educates itself to the extent it needs to as to the various reports. We made some points about the WHO report. Clearly, our main concern was to flag up wider issues about minimum pricing. As to the points we have made about minimum pricing, first it is important to look at how that was achieved. If you have a set of voluntary agreements amongst competing undertakings, for example grocery retailers, about minimum pricing you are straight into UK competition law issues. If it was done by way of government legislation, which would immediately take you out of the UK competition regime could give rise to the concerns that I flagged initially, there would still be wider economic and philosophical issues about which we would be concerned. Effectively, you risk bringing in some form of private taxation and the benefits will go to the retailers and will not necessarily be passed on to consumers.

Q586 Dr Stoate: That is not my concern. My concern is whether you believe that would have an impact on demand. The mechanics of it are well beyond the remit of this Committee.
Ms Branch: That is not my area of expertise. I have a sufficient overview of the data but it is not an area in which I would claim to have expertise.

Q587 Dr Stoate: But you have said in your submission you believe it would have little impact on demand. All I am asking is from where you get that assumption and why you believe the Sheffield study has got it wrong.
Ms Branch: I do not think the Sheffield study has got it wrong; I do not have a particular view as to the validity of the Sheffield report. I am aware there are conflicting views and there is no direct evidence of causation between the two, but price and demand necessarily have correlations in every market that we look at. I am just not expert enough to be able to give you a definitive view.

Q588 Dr Stoate: Has the OFT done any research on the elasticity of demand?
Ms Branch: On alcohol specifically, no.

Q589 Dr Stoate: There is nothing you can let us have in the way of any papers or research you have done?
Ms Branch: No; we have not done anything specific.

Q590 Dr Taylor: The OFT submission is not signed by you but by Chris Jenkins.
Ms Branch: Yes; he is our head of advocacy.

Q591 Dr Taylor: I refer to just one sentence: "Minimum prices can encourage firms who benefit from the restrictions to engage in lobbying government or the relevant regulator to keep the restrictions in place or extend them." Is that an advantage or disadvantage? What evidence do you have for that?

Ms Branch: That was a relatively generic statement. We are talking about the situation where firms benefit from a measure that has been adopted and are more likely to take all steps to ensure it remains in place. If one has in place minimum pricing and retailers get greater margins obviously their commercial interests particularly in the current climate are to ensure that minimum pricing stays in place because it will over time increase their margins. Therefore, they will take steps to ensure that the provisions stay in place. We were not making suggestions specific to this industry. Regulatory capture as economic theory suggests can happen in a number of areas which are regulated or have regulated pricing.

Q592 Dr Taylor: Where do minimum prices exist at the moment?
Ms Branch: Not in this sector. There is no direct correlation that I can think of with minimum pricing, but if you have a regulated sector with price caps and so on theoretically there is always a concern that such issues may come into play.

Q593 Dr Taylor: So, really it is all theory?
Ms Branch: It was a theoretical, hypothetical comment not specific to this industry.

Q594 Dr Taylor: Do you meet representatives of the drinks industry often? How do you avoid being taken over and captured by them?
Ms Branch: Generally, we have had interaction with representatives looking for guidance as to how the UK competition regime applies to voluntary measures that they may want to put in place. We have had relatively little direct contact, but where it occurs we try to be constructive and make reference to our guidance. For example, in the past we have certainly had contact with Mr Beadles at WSTA and other industry bodies.

Q595 Dr Naysmith: Mr Downey, you made an evaluation in 2008 of the social responsibility standards for the production and sale of alcoholic drinks. Can you tell us a little about how you carried out that study and its main findings?
Mr Downey: There were two elements to our research: first, we consulted various stakeholders both within and outside the industry; second, we observed practices and behaviour in premises selling and serving alcohol in eight locations across England. To say a brief word about each element, not surprisingly the consultation revealed differences of view between those in the industry and those outside, the industry generally favouring self-regulation and those outside expressing concern about the level of awareness of the standards and their effectiveness. The second element involving our observation of behaviour revealed a good deal of good practice within the industry but also some poor practices in a significant minority of licensed establishments. Our conclusion was that the standards were not being consistently adopted and applied across the industry and had little impact. We were not able to establish a link, either positive or negative, between standards and harm. We went on to conclude that the standards should be strengthened, enforced more effectively through local partnerships between the various agencies and industry with local government taking the lead role.

Q596 Dr Naysmith: How was the study funded and by whom was it undertaken?
Mr Downey: It was carried out on behalf of the Home Office who went through a competitive procurement process to select a firm to carry out the work on its behalf.

Q597 Dr Naysmith: The Wine and Spirits Trade Association told us that your report found only "very few examples where premises flouted licensing laws". Is that a proper conclusion to draw?
Mr Downey: I do not want to get into semantics too much; it depends on what you mean by "very few". It was certainly a minority of premises, but it was a significant minority.

Q598 Dr Naysmith: What transgressions did the evaluation find and how serious were they in your opinion?
Mr Downey: The two areas on which our research tended naturally to focus where there was statutory force behind the provision of standards were: the serving of alcohol to people who appeared to be under 18 and the serving of alcohol to those who appeared to be intoxicated. Based on the covert observation of our research team, there appeared to be a significant number of breaches in those two types in particular.

Q599 Dr Naysmith: When the pub trade was before us they told us that a lot depended on the training of bar staff. Did you find any evidence of that?
Mr Downey: Interestingly, one of the positive aspects of the research in terms of performance of the industry was that our researchers rated the behaviour of staff very highly in almost all cases. We did not, however, find a high level of awareness of the standards themselves, so clearly there is a lot of good training going on. What we could not establish was that it appeared to be related particularly to this set of standards.

Q600 Dr Naysmith: We have also been told that people in so-called vertical drinking establishments tended to drink a lot more than the recommended guidelines in one session. If people are being served when they are drunk surely it makes a mockery of the laws about serving people when they are inebriated if this is happening regularly in these kinds of establishments.
Mr Downey: It is true that we observed apparent breaches of the law relating to the serving of people who were or appeared to be intoxicated. Clearly, there was an element of judgment involved on the part of our research team because they were observing without revealing that fact. That means judgment would come into play particularly in the case of somebody who perhaps was only marginally intoxicated, if there be such a thing. Clearly, the

judgment would be much easier to make if somebody had clearly been drinking to excess over a long period of time.

Q601 Jim Dowd: Mr Downey, does the KPMG report tell us anything about the effectiveness or otherwise of self-regulation?
Mr Downey: I am not sure it tells us anything about whether self-regulation as a principle works or does not work across the board. I should like to confine my comments to the specific question of the standards. For a number of reasons we found that the approach adopted in this case did not appear to have significant effect. It is not that the standards themselves are a bad set of standards. We reached the conclusion that they could do with some updating and clarification in a number of respects. The issue was more to do with the fact that the awareness of the existence and detail of the standards was limited, that there were breaches in a significant number of cases and that enforcement did not appear to be consistent across the country. Therefore, I think it is clear in those respects that this particular approach has not worked. I am not sure I can speculate on whether that means self-regulation can never work in all circumstances.

Q602 Jim Dowd: If the standards were more widely known and an effort was made to convey them to all those in the industry do you believe it would have a beneficial effect?
Mr Downey: I believe it would.

Q603 Jim Dowd: I do not wish you to say anything that would compromise you, but do you believe the industry takes the social responsibility standards seriously? You can plead the fifth if you wish.
Mr Downey: One matter we observe in the report is that this is a very diverse industry. We are talking about a very large numbers of premises and establishments of very different kinds ranging from small family-owned businesses to establishments that are part of big chains. I would not go as far as to say that the industry is not taking it seriously. I think it is quite difficult in this case even to talk in terms of the industry as if it were a monolith. We came across plenty of examples of good practice in terms of advertising, checking age, serving free water on request and so on. That suggests there are certainly many individuals and companies in the industry that take these issues very seriously, but it is a diverse and widespread industry and I am not sure I can really comment on it as a whole.

Q604 Jim Dowd: I suppose that in many senses it mirrors the retail industry. There are very big players at one end and very small ones at the other. Did you find it was easier for the larger organisations for structural reasons to comply with the code than smaller ones?
Mr Downey: I cannot answer that question because in conducting our research we did not ask researchers to make a record of the ownership nature of the establishments they entered, so we have names but no addresses. We do not know whether they belonged to a chain or were independent establishments.

Q605 Jim Dowd: Insofar as you are aware how did the Home Office respond to your report? Have you seen any changes, initiatives or action flow from it?
Mr Downey: I cannot really answer that question. We were engaged to conduct a piece of independent research which we did. We handed it over and we have not subsequently been engaged by the Home Office to do any further research or been asked to follow what policy may or may not have developed in the mean time.

Q606 Jim Dowd: You have no proprietorial sense of your work; you just let it go out into the world to find its own way and do not care what happens to it?
Mr Downey: To take another example, we do a great deal of work as a firm in the area of public sector performance and productivity and take a huge interest in that subject and publish views and articles and talk to the media about it. It is not only appropriate but important we should do so because we have a point of view that we believe is valid. This was more of a one-off study. We have not been commissioned before or since to do any work in the area of alcohol use and abuse, so it is less appropriate that we have a point of view and perhaps less surprising that we do not have a strong proprietorial view on the issue.

Q607 Dr Naysmith: Professor Foxcroft, we understand that you have reviewed the evidence on alcohol advertising and young people. Can you tell us a little bit about your findings and perhaps the context in which you did this work and why you undertook it?
Professor Foxcroft: Perhaps I may speak of the work of the science group of the European Alcohol and Health Forum that commissioned some work on the relationship between alcohol marketing and the uptake of drinking behaviour in young people. This particular report drew together two systematic reviews that have been produced very recently in this area. One of these reviews was led by one of my colleagues, Dr Lesley Smith of Oxford Brookes University; the other one was led by Dr Peter Anderson of the University of Maastricht. Each of these systematic reviews conducted independently focused on the best quality evidence for looking at the relationship between exposure to alcohol marketing and the uptake of drinking behaviour and the scale of it in young people as well as other evidence on this particular issue. I do not think I can do any better than quote some points from the science group's report. First, there is a section which relates the conclusions reported by Dr Smith in her review. She concluded that the data from these studies included in the systematic reviews "suggest that exposure to alcohol advertising in young people influences their subsequent drinking behaviour. The effect was consistent across studies. A temporal relationship between exposure and drinking initiation was shown, and a dose response between

amount of exposure and frequency of drinking was clearly demonstrated in three studies. It is certainly plausible that advertising would have an effect on youth consumer behaviour as has been shown for tobacco and food marketing." The important thing about this systemic review and that of Dr Anderson is that they looked only at those primary research studies that reported on exposure at time A and looked at drinking behaviour subsequently at time B, so you can draw an inference about the causal impact of exposure on subsequent drinking behaviour. Dr Anderson's systematic review concluded that, "Longitudinal studies consistently suggest that exposure to media and commercial communications on alcohol is associated with the likelihood that adolescents will start to drink alcohol and with increased drinking amongst baseline drinkers. Based on the strength of this association, we conclude that alcohol advertising and promotion increases the likelihood that adolescents will start to use alcohol and to drink more if they are already using alcohol." The science group's report reinforced the conclusions made in those independent systematic reviews and also added the point that, "These findings are all the more striking given that only a small part of the total marketing strategy has been studied and is corroborated by the results of other methodologies including qualitative, econometric, cross-sectional and experimental studies. It should be stressed that the studies come from countries with a long history of advertising and with relatively high levels of alcohol consumption and it is difficult to speculate on the size of the impact of marketing and cultures with either a short history of advertising or low alcohol consumption." The key point there is that the studies included in the systematic reviews focused only on exposure to particular types of alcohol marketing and were able to pick up only a small part of the marketing mix but were still able to show an association between exposure to alcohol marketing and the uptake of drinking behaviour in those young people, children and adolescents who had not already started drinking and increased levels of drinking in those young people who were already drinkers.

Q608 Dr Naysmith: How consistent were these results with other similar studies?
Professor Foxcroft: There have been a number of other reviews in this area which have taken a much broader perspective and incorporated different methodologies. I believe these results are pretty consistent. A fairly consistent message comes across from not only the very high quality systematic reviews drawn upon by the European report but also methodologies used in other reviews.

Q609 Dr Naysmith: Sometimes we hear that results are inconsistent in this area, but is it right you suggest that these are reviews on which we can rely as being the best evidence we can get?
Professor Foxcroft: That is my view.

Q610 Dr Naysmith: Why do you believe some of other studies are brought in to muddy the waters?
Professor Foxcroft: Whenever you look across at a number of different research studies you will find some that do not clearly demonstrate an effect in a particular direction. There are some studies that show that, but the important point here is that they are very much in the minority. When you look across the majority of studies with a range of different methodologies you see a clear and consistent picture of an effect and association between exposure to marketing and the uptake of drinking behaviour in young people.

Q611 Dr Naysmith: Is there such a thing as the precautionary principle in public health? If so, how does it work in public health?
Professor Foxcroft: The precautionary principle has a potential for helping public health in its decision-making. Decision-making for public health can be challenging if there is little or no evidence on a specific issue, or if there is conflicting evidence. The precautionary principle provides a basis for decision-making when faced with scientific uncertainty. For the sake of argument, if there is still some uncertainty about the health risks to children and young adolescents from exposure to alcohol marketing the precautionary principle suggests that those health risks should be assumed to be true and proportionate action should follow. That is the precautionary approach. The principle can also be extended to deal with scientific uncertainty on the effectiveness of particular public health interventions or actions. For example, it is a worry that so many different types of alcohol education and prevention programmes proliferate in schools and among young people when there is considerable scientific uncertainty about the effectiveness of many of these approaches. With an extended precautionary principle only those interventions for which there is some pretty good provisional or preliminary evidence of effectiveness would be supported by the principle and only if there is an ongoing programme of good quality research and evaluation to look at the effectiveness of those particular prevention programmes, for example in a UK context. Ultimately, if after a period of time we find out that these prevention efforts and programmes in schools are ineffective we can divert resources to somewhere else that is a little more useful. I suspect that aspects of the precautionary principle are used implicitly by many public health workers in public health settings; otherwise, why are so many public health interventions implemented that are based on insufficient scientific evidence? That is a worry. I suggest that to bring the principle out into the open so it is used in a transparent, explicit way is a positive step.

Q612 Chairman: When you talked about marketing in these reviews did that include sponsorship?
Professor Foxcroft: The studies that we included in the reviews covered a range of different marketing exposure from exposure to alcohol ads on television to exposure to alcohol trails in various media, including television, music videos and films to exposure to alcohol messaging through sponsorship.

Some studies looked at the recollection of alcohol messages and information and a couple of them looked at ownership of alcohol branded merchandise, so there was a mix of different types of alcohol messaging included in the systematic reviews.

Q613 Chairman: In view of the findings I assume you believe that the current regulation of the advertising of alcohol does not afford the protection of young people that it should do. Do you agree with that analysis?
Professor Foxcroft: The studies included in this work looked at the association between exposure to marketing and drinking behaviour in young people in a number of different countries, mostly the United States, New Zealand, Belgium and Germany, but interestingly not the UK. Therefore, that evidence is not of direct relevance to the UK. Personally, I am not familiar—it is not my area—with the particular regulations about the portrayal of alcohol in the media in this country. If there is concern about that I think it follows that there is also concern about young people's drinking.

Q614 Chairman: The World Health Organization published a report entitled *Alcohol: No Ordinary Commodity* which states that public education is one of the least effective policy responses to the problems of alcohol. Do you agree with that analysis?
Professor Foxcroft: There is now pretty good evidence that certain types of alcohol education which give information about risks associated with alcohol and raise awareness of those risks are ineffective. I have talked mostly about education of young people because that is the area about which I know most. Evaluations have shown a consistent picture. A number of different studies have shown that traditional types of alcohol education in schools, just telling people about the risks associated with alcohol and raising awareness of those risks, are ineffective. I believe that that is the message put across by the WHO report. Having said that, there is a growing body of evidence that relates to different types of prevention programmes, not necessarily education but prevention programmes that look at the effectiveness of early intervention with young people that take a social developmental approach and have been shown in some studies to have an impact in reducing not only alcohol-related harm but other sorts of harms to young people, including drug dependence and drug harms, mental health issues, suicides, suicidal behaviour, aggressive and disruptive behaviour in schools, later violence and crime and also the use of health services, which was an interesting finding in some of the studies. A good source of information on this particular type of prevention programming is a recent report from the US National Academies of Science which has reviewed the effectiveness of prevention programmes for young people and highlighted a number of early intervention-type programmes that may be effective in this country, though more research would be needed. One of the benefits of such an intervention is that the impact covers a number of different behaviours. I believe it was Keynes who said that early intervention was a massive multiplier.

Q615 Chairman: The question of intervention in early years was a matter we looked at in our inquiry into health inequalities a few months ago. Is there anything that you believe can be done that is specific to alcohol misuse and the protection of young people? Given your knowledge and research do you have any view on that? How do we start to get there?
Professor Foxcroft: There are a number of strands that possibly are useful in a policy approach to reducing the harms to young people associated with alcohol. One of those approaches is to look at availability. We know that young people are most likely to have their first experiences of alcohol in a family setting usually from parents, so some work in looking at how parents introduce alcohol and whether they should be introducing it and at what age would be appropriate. That is a policy option that could be useful especially given we know that young people drink earlier and heavier which is a problem. The second aspect would be to look at the whole of the marketing mix: product placement, price and promotions. I know that you have already been considering options in that respect. Third, early intervention is something that offers a potential impact across a range of different behaviours which are relevant to health. As to information campaigns and awareness raising that is something that might be considered although there is a problem in terms of scale. If you are to look at implementing information campaigns and awareness raising there needs to be an increase in resource by an order of magnitude. You talked earlier about the funds made available to Drinkaware Trust compared with the funds used by the alcohol industry to promote alcohol products. Clearly, there is a huge discrepancy there. We know that alcohol marketing influences in a dose-response manner and it is probably the same with counter marketing or advertising or marketing around risks. Dose response and volume are important. Therefore, we need to increase the level of resource in that regard; otherwise, I have concerns about whether it is an effective approach. I also suggest that a clear and explicit decision-making framework to support policy and action would be useful—maybe the precautionary principle would be an appropriate way forward—and there should be more R&D so we do not end up talking about lack of evidence on the same issues in five years' time.

Q616 Chairman: How big would the volume of advertising of alcohol be on a scale of one to 10, one being not very important and 10 being very important in view of what you have reflected on in these studies?
Professor Foxcroft: I do not understand the question.

Q617 Chairman: The effect of the volume of advertising is disputed. We have had evidence that it is the volume of advertising that creates take-up or, to put it simply, that advertising works. How

significant would that be on a scale of nought to 10, nought being not very important and 10 being very important? Basically, the article in *The Lancet* last week said that there should be a reduction in the volume of advertising of alcohol. What would you say to that?

Professor Foxcroft: Clearly, there is a dose-response relationship demonstrated in the systematic reviews picked up by the science report for the European Alcohol and Health Forum. I suggest that that needs to be considered. I hesitate to say where on the scale it should be placed, but I certainly believe it is an important aspect to consider when looking at this.

Q618 Chairman: We all understand that there is no silver bullet here in terms of changing alcohol habits. I am just interested in volume. In any event, you believe that it is important as are many other things?

Professor Foxcroft: Yes.

Chairman: I thank all three witnesses very much.

Thursday 9 July 2009

Members present

Mr Kevin Barron, in the Chair

Charlotte Atkins
Mr Peter Bone
Jim Dowd
Sandra Gidley
Stephen Hesford
Dr Doug Naysmith
Dr Howard Stoate
Dr Richard Taylor

Witnesses: **Mr Nick Gill**, Account Planner, Five by Five, **Mr Nick Constantinou**, Managing Director, AKQA, **Ms Roberta Fuke**, Head of Planning, Bray Leino, gave evidence.

Q619 Chairman: Good morning. Welcome to the fifth session of our inquiry into alcohol. I wonder if, for the record, I could ask you to give your name and the current position that you hold?
Mr Constantinou: I am Nick Constantinou; I am the UK General Manager for AKQA.
Ms Fuke: Roberta Fuke; I am Head of Planning and PR at Bray Leino.
Mr Gill: Nicholas Gill, Head of Digital Planning at Five by Five.

Q620 Chairman: Welcome once again. I suppose this question is to the two Nicks. Could you please explain to us what is meant by "new media" and how do you use this to advertise alcoholic drinks?
Mr Gill: New media is basically digital communications. Digital has been around since circa 1991 but has really escalated in the last 10 years in terms of an advertising medium. To give a sense of scale in terms of the amount of money that is spent in the advertising industry, in 2008, which are the latest figures released by IAB, the amount spent on advertising was 3.3 billion, which was up 17% year-on-year versus 2007. On an advertising aspect it is down to search, display advertising, classified and email. Again, to give that a sense of scale, the total advertising for the UK last year was 17.5 billion. Digital represents 19.2% of that with only TV slightly ahead of it on 21.9%. It is predicted that digital will actually outspend TV, if not in the next 12 months, certainly in the next 24. It has overtaken other traditional media channels such as radio and the pres, already, just to give you a sense of scale of what it is. In terms of how we use it, I will give you, again, a sense and a proportion of that. The FMCG market, which alcohol falls into, accounts for about 3.8% of the total digital spend from an advertising perspective, with entertainment and technology being the predominant advertisers in that industry. We use the internet from WKD's perspective to engage our target audience. What we mean by that is we have a brand site at WKD.co.uk which uses an age verification page upfront and some strong messaging around responsible drinking. You have to enter an age that is over 18 to actually access our content. If you input an age that is underneath that, you get directed to, "Let us talk about Alcohol", which directs young people to talk about alcohol concerns. Once you are in our site, if you are over 18 you can access our content, which is all about engaging the audience with our brand essence and having fun in terms of that. We also create online advertising for WKD, which we place according to the Portman Group framework by which we can basically target our audience and push them to our site.
Mr Constantinou: Beyond the facts and figures that Nick has talked to, which are absolutely accurate in terms of the amount of spend we are seeing in the new media market, we utilise new media marketing for our clients to help engage and interact with consumers on behalf of our clients. It is an opportunity to have a two-way conversation with our clients' consumers. For Diageo specifically, when we create digital marketing assets we are governed very strictly by the Diageo marketing code, which from a top line applies the same rules for content and placement as we do across all other channels that Diageo market through, which is a very comforting thing to see for a marketing agency. Beyond that, they also include specific new media guidelines within that Diageo marketing code which we are expected to follow and, to continue Nick's point, we are held to very similar guidelines as other agencies, where we are expected to put up what we call a "gateway verification page" where age and location of said consumers are expected to be entered before you can enter the experience. We then have links to responsible drinking websites and other types of content. So there are some very strict guidelines that we are expected to follow, and that is from the creation of the concept upfront all the way through to the live solution that ends up online.

Q621 Chairman: We will be exploring one or two of them, I think, this morning. You said, I think (the first Nick), if I got this right, 19.2% is new media now.
Mr Gill: Correct; yes.

Q622 Chairman: How has that changed over the last few years? What was it four years ago?
Mr Gill: It has grown absolutely phenomenally. I mentioned the 3.3 billion statistic in 2008. To give you a sense of the rapid growth, in 2001 the expenditure was only 50 million, and that is driven purely by the amount of people that are going online to find information to inhabit that space.

Q623 Chairman: What proportion of your business is alcohol-related?
Mr Gill: Our business, WKD, our client, is approximately 10% of our revenue.

Q624 Chairman: And yours, Nick?
Mr Constantinou: We average between 3-5% a year with Diageo and our other clients.

Q625 Chairman: That is your alcohol account, is it, with Diageo?
Mr Constantinou: Yes.
Chairman: Okay. We will move on. Howard.

Q626 Dr Stoate: I will start, again, with the two Nicks. It is very interesting to hear that it is now about as big as television, new media advertising, and yet we were told last week by the Advertising Standards Agency that regulation is extremely lax in this area. Do you agree with that?
Mr Constantinou: I do not. I have had the privilege of working over 12 years in this industry and I have delivered a number of specific engagements for our Diageo client, and throughout the engagements we are held to very strict guidelines through the Diageo marketing code, which, in effect, you could term regulations. We are held to very strict guidelines from the ideation all the way through to the idea being actually live online in the new media sense. My experience today tells me that I have never ever been requested to do anything outside of the spirit of the letter of those guidelines, and the work that we have launched to date has strictly followed those guidelines at every turn and, throughout the creative process that we work through, there are DMC check-points and approval/rejection points.

Q627 Dr Stoate: I can assure you that today we will be showing you plenty of examples of where we do not agree with that. We may not be specifically referring to your company, but we will certainly come up with many examples as we go. Nick Gill, do you agree that the standards are too lax, or do you think they are okay?
Mr Gill: I think, as a brand and agency, the Portman Group is obviously focused around advertising as a whole to date, and a couple of years ago, in the absence of any strict guidelines on digital, we were actually very proactive in trying to raise the bar in digital terms by creating a code of conduct between ourselves and Beverage Brands of what we would adhere to. That has subsequently been issued as an addendum to the Portman Group code and Beverage Brands are now on a working group with the Portman Group to make sure that digital regulation is in force. We work, as Nick has said, absolutely to make sure that what we do is socially responsible and we promote "drink aware" as much as possible. Our content only reflects adult situations and socially responsible situations.

Q628 Dr Stoate: Again, we will show you plenty of examples this morning of where digital marketing completely breaches anything that we allow on television, and my colleagues will be going through that in more detail. I am also interested in your assertion that, because you have to put your date of birth in, we can somehow control access to children. One of our advisers said this morning, he put three random dates into a site. Two of those dates did not exist, because they were 29 February on years that were not leap years, and yet he instantly was let into the site. What confidence can we have that these so-called birth date entries are in any way policeable?
Mr Gill: I cannot comment for that particular technology example, but the technology should be able to pick up things like leap years and what exists.

Q629 Dr Stoate: It does not, I can assure you, because we have got examples of this, and it is not beyond the wit of most children to make up a date of birth which makes them sound as though they are 19 or 20. How are you going to police that?
Mr Gill: If they to do that and they wilfully lie to gain access to content, be that on an alcohol site or something more explicit than that, then that is their wilful choice to lie. The only way you could absolutely 100% guarantee it is to link it to a National Identity Register, or something like that, or we could lean on perhaps technology leaders such as Google to come up with some biometrics, but then that gets into a whole debate around personal data and privacy and that area.

Q630 Dr Stoate: You can understand why we are a bit cynical about it if all you need to do is enter a random date of birth that just happens to make you look as though you are over 18 and you are into the site. What possible protection does that give to parents or to young people who are vulnerable if the only entry criterion is a random date of birth?
Mr Gill: At the moment that is the accepted framework that everybody works to in the absence of anything that can control it better.

Q631 Dr Stoate: My initial question to you is: is that too lax?
Mr Gill: No, I do not believe so. From a responsible drinking perspective, we have very clear measures for responsible drinking. This site is for adults only, it is for those who are over 18, and the only way, in the absence of having formal identification—photograph ID, passports, et cetera—in that medium is to go on the date of birth. To pick up on your point about parents and giving them confidence: because it is registered as an adult-only site that only those that are over 18 can get into, it is picked up by all the parent control security. Interestingly, there was a survey by McAfee earlier this year, March 2009—McAfee are one of the leading Internet security specialists in parental control—and four out of five parents do not use those controls. So we are giving, again, options to parents to limit exposure to their children but they are not taking it up. Four out of five do not turn that on.

Q632 Dr Stoate: Are you at all worried about the fact that children clearly are able to access this with no difficulty whatsoever? So far as you are concerned, that is fine; whether they should or not is irrelevant; you think it is okay that they do.
Mr Gill: No, because the content that is there is for adults only, and that is within the framework and the best working example that everybody has in the industry, not just in the UK or in alcohol, but globally, that is until such point where we can get national identity, perhaps, or biometrics scanning that actually proves that you are over 18.
Dr Stoate: That is clearly nonsense, because anybody can get access to it who wants to, even with a date of birth that does not exist. It certainly does not give me confidence. I think this committee will certainly be taking a view on whether we think the situation is tough enough. Thank you very much, Chairman.

Q633 Chairman: Roberta, the Advertising Standards Authority told us that regulation, too, was lax for advertising alcohol in the new media. Would you agree with that?
Ms Fuke: I take on board the comments that Nick has made as well. In terms of looking at a lax approach in terms of regulation, I think regulation is one aspect and, potentially, there are areas of consideration. I think everything that is done within the industry is done within guidelines. The guidelines are rigorous and responsible; both producers and consultancies and agencies like ourselves do abide by them. I think the other issue that needs to be taken into account is the one of content. In terms of what we are looking at here in terms of alcohol and consumption among young people, alcohol is not being talked about in terms of excessive consumption or encouraging young people to consume in any way that is inappropriate. The issue really becomes one of education, I think. We have to actually think about how we educate people going forward. Legislation has a part to play, but education, I think, is crucial.

Q634 Dr Taylor: Nick, can I pick up something I think you said? Did you say four out of five parents do not use controls?
Mr Gill: That is correct.

Q635 Dr Taylor: What controls are available to parents? I have still got a 16-year old that I had no clue I had any control over; so what controls are available?
Mr Gill: With a lot of packages that you get, for example, if you signed up to broadband with BT, they automatically provide you with some software that gives you parental control. In the instructions, and I do not know if it is particularly, but it should be very clear how you actually turn those parental controls on and every site that is of adult content should have a flag within the data of that site that says, "This is only for adult content". So when you turn that security on, it should automatically block that site.

Q636 Dr Taylor: I certainly knew I had a lot to learn! WKD: why ever did they choose those three letters, which obviously stand for wicked?
Mr Gill: It is only ever referred as to WKD. In terms of the history of the brand and how it came about, I honestly do not know.

Q637 Sandra Gidley: Does not the advert say, "Have you not got a wicked side"?
Mr Gill: No, it is always referred to as, "Have you got a WKD side?"

Q638 Dr Taylor: Am I right that every WKD product is vodka-based?
Mr Gill: Yes, apart from a new cider variant that has been launched recently.

Q639 Dr Taylor: What is the alcoholic content?
Mr Gill: It is 1.2 units per 275ml bottle.

Q640 Dr Taylor: So 275mls is 1.2 units?
Mr Gill: Yes.

Q641 Dr Taylor: It comes in 275ml bottles?
Mr Gill: A 275ml and also a 70cl screw-top bottle.

Q642 Dr Taylor: You have got on your desk Appendices for Briefing Session?
Mr Gill: Yes.

Q643 Dr Taylor: If you turn to page two, this is the Kev and Dave page that you have recently launched.
Mr Gill: Yes.

Q644 Dr Taylor: So this is available to anybody who goes on to the WKD site who is, allegedly, over the age of 18?
Mr Gill: Yes, to access WKD content you have to be over 18.

Q645 Dr Taylor: How is this operated? How is it updated?
Mr Gill: It is updated on a very frequent basis. The main campaign that you see in the middle there of the two characters, Kev and Dave, is something that we will be running for the duration of this year. That is our major digital engagement campaign that Nick was talking about earlier in terms of engaging our consumers. The news letter is updated on a monthly basis, which is both posted on the site and sent to opt-in consumers, all of whom, obviously, are over 18 as well. The blog is updated on a frequent basis, dependent on content that we have available and, something we may want to comment on, it is also housed only in our site. We do not use any blog platforms outside of WKD, because we, again, cannot control under 18s accessing that content in an environment that we do not control. The events are also updated as and when an event may happen. It is updated by a CMS system (Content Management System), which both we as the agency and the clients have access to, so we can update the content fairly rapidly and at low-cost for them.

Q646 Dr Taylor: So somebody who has seen this can then write in to Kev and Dave?
Mr Gill: The "Ask anything" is a one-way platform. So you ask a question and it identifies the key words within your question, using some technology at the back end, and then serves a video response, and we have recorded over 200 individual video responses that have a humorous, light-hearted tone to them and they give you answers to what you are actually asking for them.

Q647 Dr Taylor: Do you have any control over what gets out that is visible?
Mr Gill: Yes, we do. We only have content here. We also have a Facebook page for Kev and Dave which is restricted to only when they accept friends that have to be over 18 as well. That is the content that we have externally. We do not, for example, use Twitter externally to our site because, whereas with Facebook you can guarantee our friends are over 18, on Twitter you cannot. So whilst a lot of our audience is very much in that space, we have actively refrained from that because we cannot guarantee with the Portman Group guidelines that that would not be targeting or communicating with people who are under 18, so we actively do not go into Twitter.

Q648 Dr Taylor: So Facebook is safer then Twitter and Bebo?
Mr Gill: Bebo has an over proportion of under-18s, so we do not do any activity within Bebo. Facebook you can target, from an advertising perspective, those who are over 18. That is a service that Facebook provides. So you can target people absolutely in the demographic that you want to, so you can have zero exposure to those who are under 18, and the Facebook page that we have for Kev and Dave has a very limited profile until you actually become a friend, when you can then see the deeper level content. Again, the intent of that is to highlight the Kev and Dave campaign that we push people back to our main website at WKD.co.uk.

Q649 Dr Taylor: So the comments that come through to this you vet to make sure that they are okay.
Mr Gill: Yes, we only have very few comments on there. User-generated content has been growing phenomenally in the last couple of years: hence why there is a lot of conversation and media talk about Facebook, and particularly Twitter of late with the Iran elections, and things like that. We have a very small part on our site that has consumer entries only in text form, and they are very heavily vetted by our client teams. So if you went to the event section, there is some message-board feedback there and there are approximately eight to 10 messages on there from consumers, and we only ever approve those ones that are socially responsible.

Q650 Dr Taylor: What do you get when you open the WKD shop?
Mr Gill: You get to see a number of merchandise elements, that are WKD branded, that you can purchase.

Q651 Dr Taylor: And the credit crunch coupon?
Mr Gill: The coupon is a downloadable coupon that gives you money-off a purchase of WKD.

Q652 Dr Taylor: A money-off coupon in any supermarket?
Mr Gill: I believe so, yes.

Q653 Dr Taylor: So you are happy that under age people do not get easy access to this.
Mr Gill: We actively discourage them from entering the site, yes.

Q654 Dr Taylor: How can you be sure that Facebook is secure from under age people?
Mr Gill: Because to get a Facebook account you need to register your date of birth, which the vast majority of people do openly and honestly because it is a social network. The intent of it is actually that you network with your friends in the online environment; so to lie about your age does not make sense in that environment.

Q655 Dr Taylor: I am sorry to be dense, but does that mean a 16-year-old should not be on Facebook?
Mr Gill: Most 16-year-olds can be on Facebook. Anybody of absolutely any age can be on Facebook. The biggest growing demographic of people on Facebook is those aged 40-plus.

Q656 Dr Taylor: You have lost me. Why is Facebook safer than Twitter from your point of view?
Mr Gill: Because we know, from the registration data of Facebook, that they allow us to access. From the media perspective we can target exclusively those who are 18-plus, and from our Facebook fan page we will only accept friends who are 18-plus. If they do not have their date of birth entered or it is not in their public profile, we do not accept them as a friend.

Q657 Dr Taylor: So you are absolutely happy that nobody under the age of 18 could access this particular field that we have put on page two?
Mr Gill: This is our brand site, WKD.co.uk. Again, that comes back to the age verification page upfront. The Facebook page, again, we actively discourage people.

Q658 Dr Stoate: Can I interrupt there? I have just entered the WKD site with a fake date of birth, 29 February, on a year that was not a leap year, and I am into it without any trouble at all. Admittedly it is a bit slow, because 3G is not working very well in this room, but I am onto the website with no trouble, and it did not ask me any other details. A fictitious date of birth which did not actually exist and I am on your website no trouble at all. I can go onto all these things: the shop, the arcade, download Kev and Dave, the newsletter. It is not a problem. It did not give me much confidence, and if I had actually been only 12, I would have had no trouble at all getting onto this: it took me a minute.

Mr Gill: Yes, but the age verification process is the accepted standard in the industry.

Q659 Dr Stoate: It is not very effective then, is it? I asked you if it was too lax. I do not think that is very effective.
Mr Gill: If there was a more effective way of doing it, then we as an industry, and not just the alcohol industry, would be employing that. At the moment that is collectively what we believe is the most effective method of doing it.
Dr Stoate: I am not impressed, Chairman.

Q660 Stephen Hesford: On your site, Kevin and Dave, the actors that did that, how old are they?
Mr Gill: They were a minimum of 25. I believe the average age of the actors that we use across WKD communications, not just digital, but for TV commercials, is 28.

Q661 Stephen Hesford: Would you not agree that the actors on that web page there could be taken for younger than 25?
Mr Gill: No, because we research and we make sure, when casting, that we look at a range of people when we are looking at the age of our consumers and the actors we are looking for, and we specifically recruit and cast the people who are and look, at a minimum, 25, again, to discourage under age people.

Q662 Stephen Hesford: Further, I would not only say that they look potentially younger than 25—I do not know which one is Kevin and which one is Dave—one of them, potentially, looks perhaps 18, or even younger. If your cut off has the entry age of 18, which Dr Stoate has just shown to be complete rubbish, and the industry standard is 25 and over and somebody potentially looks on the edge of 18, are you not entering dangerous territory for an audience which is actually too young to buy alcohol?
Mr Gill: These actors have been specifically cast. They were one of a number of people who we looked to recruit for this particular campaign and we stipulate to all the casting agencies that everybody has to be over 25 years of age. The average age of WKD casting is 28 now. These individuals are over 25. I am not sure of their exact age, but we can guarantee that they are over 25.

Q663 Charlotte Atkins: Roberta, you do public relations for WKD.
Ms Fuke: That is correct.

Q664 Charlotte Atkins: Do you get asked questions about the target audience? Do you feel comfortable with what we have discussed so far, that clearly the age limits do not seem to be a major focus for WKD and, therefore, could well attract under-age drinkers?
Ms Fuke: I would disagree that the age limits are not a focus for WKD; they absolutely are. They are very responsible producer—and I have worked in public relations for 25 years and have worked with some people who are not quite so scrupulous—says that a lot of legislation and a lot of guidelines are applied to all of the activity. The agencies are thoroughly briefed at the outset and are given, not only the Portman Guidelines, but Beverage Brands' own guidelines to comply to both in terms of content and in terms of targeting. So targeting is very clearly focused on adult drinkers, so of-age drinkers, and making sure that the content is appropriate. Also the content of the site and the content of all of the activity that we look at is something that needs to be considered a little bit further, because we are not focusing on the consumption of alcohol; the focus on our work is about encouraging people to share a sense of humour with the brand, if you like. So a shared sense of humour, slightly cheeky, slightly irreverent, yes, not encouraging people to consume the product. It is actually just about social situations. Having a laugh with your mates is an appropriate way that we tackle that in terms of communicating with audiences. So I appreciate what you are saying in terms of concern; I disagree that it is not being carefully managed.

Q665 Dr Naysmith: Mr Constantinou, can you explain what "viral marketing" is and how it is used for your campaigns?
Mr Constantinou: Yes, viral marketing, again, has been at the forefront of new media as it has grown over the last few years. It is an opportunity for us to engage with our clients' consumers. To play on Roberta's comments, to build on those, we do look for slightly humorous, engaging, compelling content that we can supply to our clients' consumers to spread the word of mouth around the good brand values of our clients, whether it be Diageo or any other alcohol brand. So it is, in effect, a piece of content that can be passed on from friend to friend and it can multiply the brand values and the knowledge of the brand amongst the target audience. Again, we are held to strict marketing codes by our alcohol clients, which happens to be Diageo in AKQA's instance, where that content has to be targeted at the above legal purchase age and, in my experience, that is what we have been doing for eight years and we have never ever been asked to target or have never created a piece of content, whether it be viral marketing or an online destination that we have been talking about, above the legal purchase age.

Q666 Dr Naysmith: Is it going to be more difficult to control than other forms, because you can pass the message on to anyone, can you not, once you are through?
Mr Constantinou: Yes, that is true, but because we can hold some of the content within the destination sites—so an address on the Web that we control, just like this website here and other websites that we have actually created ourselves—again there are some measures in play to stop under age audience accessing that content. So there are measures you can employ. To build on Nick's comments, which I agree with, Facebook tends to have an older

demographic than maybe some other social networking sites such as Bebo, which we avoid religiously because we know the audience profile on that very popular networking site is of a younger spread.

Q667 Dr Naysmith: Do you use any network sites that have a younger spread?
Mr Constantinou: Not for alcohol brands at all. We have a number of clients within our office, some who do actively target a younger audience, but not for alcohol, obviously—that is for gaming clients, et cetera.

Q668 Dr Naysmith: I am going to come back to you in a minute and ask you about your *Smirnoff Sea* television commercial, but I would like to ask Roberta and Nick if they have anything to add about the technique of viral advertising, or is it exactly the same as Nick outlined?
Mr Gill: I would absolutely support exactly what Nick said in terms of how viral marketing is used. It can add extra brand value to your brand. If you create content that is compelling enough that people want to engage with and want to send on to their peer group—some recent examples, like the Cadbury's gorilla example that has been highlighted of late, where that content from a viral perspective was released online first before it was even aired on TV—it creates huge credibility and talkability for the brand.
Ms Fuke: I would agree with both of my colleagues here actually. I think the reality, again, goes back to objectives as well. So content, yes, and objectives, in terms of what the consultancies are being requested to deliver against, which is maintaining market share in a declining market. The market, from our point of view in the RTD market, is declining—a 55% decline in 18-25 year olds since 2002 and a 12% year-on-year decline. So our objective and our brief, our challenge, if you like, is to maintain that market share in a declining market.

Q669 Dr Naysmith: I want to ask you about Smirnoff. You were given the brief by Diageo to "Seed the *Smirnoff Sea* television commercial" and to "create an iconic buzz and talkability amongst legal purchase age to 30." Can you please explain how you see the commercial before it is aired on television? Presumably you have just heard that.
Mr Constantinou: Yes.

Q670 Dr Naysmith: How do you do it in this instance? What is the purpose of doing it in this instance?
Mr Constantinou: In this instance, the purpose of the brief that we received from Diageo was to amplify and extend what was a lot of money spent on quite an expensive TV campaign and to extend that campaign into the new media environment. That is the overall purpose. The brief, as you quite rightly said, stated "legal purchase age to 30", "male orientated", which is the brief that we took. We executed that, as you see from the sheet I have got in front of me, with a casual online game for that target audience. To explain why we created this digital asset: to meet that objective of extending the TV campaign. Casual online gaming: on average 200 million people a year globally are engaging in fun, simple, quick casual games. That is a fact—you can look that up yourself—and the split of demographics that are engaging with casual online games are pretty evenly split between male and female and from an age point of view, on average, in the mid-thirties. So as a vehicle to extend the TV campaign online, we viewed a casual game—if you read back the brief—as it hits the sweet spot over what we were trying to achieve with that audience.

Q671 Dr Naysmith: One purpose of the strategy was to send people to the *Sea* website to play the "Smirnoff Purifier" game. Is that right?
Mr Constantinou: Correct.

Q672 Dr Naysmith: And that resulted in entering a prize draw, and they were also asked to forward the game to their friends?
Mr Constantinou: Yes; absolutely.

Q673 Dr Naysmith: What sort of data would you collect from the players of the game and how is this data being used?
Mr Constantinou: To actually enter and access the game you have to go through the same verification age which has been discussed by the panel over the last few minutes.

Q674 Dr Naysmith: We are not too impressed with it, and I suspect most people hearing about it will not be too impressed either.
Mr Constantinou: I take that feed back on board. To access that game you have to go through that verification gateway and then you can access the game and you can play it without really providing much data. When you have to enter the prize draw for the year's supply, we follow, again, the Diageo marketing code, which has some specific terms, conditions and guidelines over which data to collect and which terms and conditions they need to accept, et cetera, which were implemented.

Q675 Dr Naysmith: What sort of data?
Mr Constantinou: I do not have that knowledge in front of me at the moment. I would rather not give you an incorrect answer.

Q676 Dr Naysmith: Just general type of data, was it: their drinking habits or that sort of thing?
Mr Constantinou: No, no. In terms of online behaviour or people interacting with online destinations, the one learning that we have all seen over the last five, 10 years is that when you are asking users to submit an entry to a competition the last thing you want to do is create a form with 28 fields for completion; so we do try to keep it simpler and shorter and not ask too many questions.

Q677 Dr Naysmith: Can you tell me what kind of questions?

Mr Constantinou: It will be first name, last name, email address, probably reconfirm date of birth, et cetera, and there will be a list of terms and conditions, which, again, Diageo legal provide to us, which are in line with the marketing code guidelines, which you have to tick the box and agree to through an online form.

Q678 Sandra Gidley: You have mentioned codes of practice, the Diageo code and the other code. How do they differ from the advertising code which regulates what is allowed to be on television? They are clearly laxer because what is on the Internet would not be allowed on TV.
Mr Constantinou: My view of those codes is that our clients actually are a lot closer to the audience and the pace of change in new media, which is pretty intense.

Q679 Sandra Gidley: I am talking about responsibility now, not selling. How do your codes differ in, for example, the age range that you are allowed to target or sexual prowess that you are not supposed to put in a TV add and it seems to me that some of the stuff on the Net might flout that.
Mr Constantinou: The code and the guidelines to which I have been exposed follow the same rules across all channels. So Diageo make it very clear that we are expected to follow the same content and placement rules as they would expect of their above the line agency and new media agency and print agency and PR, etcetera.

Q680 Sandra Gidley: The difference is that nobody actually has any power to tell you off on the Internet, whereas with television adverts they do.
Mr Constantinou: Especially as we are talking new media, I think there is always a channel to be told off with new media because it is a two-way channel; so I would actually disagree with that and I think the new media and the online environment actually encourages the users and parents or whoever may not think it is appropriate as an open channel of communication, which I would actually say that when you are watching a TV ad for 30 seconds between *Coronation Street*, or whatever it may be, I believe it is easier in the new media environment to actually feed back to the producer of that piece of content to say that that is inappropriate.

Q681 Sandra Gidley: Would it be possible to have copies of those codes that you work to so that we can see how they differ?
Mr Constantinou: Absolutely, yes.

Q682 Sandra Gidley: Just to come back to new media, I want to pursue a couple of points that Dr Taylor made. On *Facebook* you do have to put your age in and most people would do that honestly, I think, unlike one of your drink sites, and you may be prohibited from accessing a *Facebook* drinks page but by the very nature of *Facebook* people would often publish links to other things that are external to *Facebook*. Say, for example, somebody who quite liked this game would be able to put a link to it on *Facebook* and their friends would be able to see it; they might click on, they might be under 18 and, as we have already seen, the age that you have to put into the site is meaningless. So in effect is not having a *Facebook* page also, if you think about viral marketing, quite an insidious way of spreading some of these messages further, because it is not about the politically correct *Facebook* page it is about the way that games and things like that are disseminated on *Facebook*.
Mr Constantinou: I think an online game or piece of content that people like could be spread in a number of ways, whether it be through *Facebook* or a conversation with somebody in somebody's living room, etcetera. There are guidelines in play—and I take the feedback around that they feel lax at the moment—to ensure that this piece of content as held within the new media environment, which is the Internet for want of a better phrase, is held within certain gateways and verification points to protect that. I think beyond that there is an important point that Nick mentioned that there are additional controls through the actual Internet browser that you use at home to access online content, which could be looked at as a way of strengthening those. I think there are multiple points to provide additional security to access that content.

Q683 Sandra Gidley: So it is actually down to the parents for controlling access—it is not your fault, is that what you are saying?
Mr Constantinou: That is not what I am saying; what I am saying is that you have to look at the entire solution and different methods you can use to provide the end goal.

Q684 Sandra Gidley: But you do accept that by launching an attractive game that particularly young men would want to play the whole way that this sort of information is spread via links on *Facebook*, you actually have no control whatsoever over that—you can just let it go?
Mr Constantinou: I think to be clear that game is targeted at legal purchase age and above and actually skews towards—it is a casual game on the—

Q685 Sandra Gidley: Come on! It is a game that is apparently so intense that my son when he was 13 or 14 would have loved it! He would have loved it—shooting at things, by the look of it. How does that appeal to an 18 year old and not a 17 year old?
Mr Constantinou: Casual gaming is proven to be very popular with a 30 plus demographic and that is fact and I can only talk to my experience and what I have seen over the last 10 years. This game has been created for that older demographic and well above the legal purchase age; and it is protected in an online destination with some controls around that.

Q686 Sandra Gidley: Which do not exist, let us acknowledge that. Nick, do you have anything to add to that.

Mr Gill: I would just like to add in there in terms of people sending information around that we are working very hard with the Portman Group on the working group in terms of making sure that digital space is ever evolving. It constantly changes and constantly creates new challenges. We work very proactively within the framework we currently have and we are working very actively with the Portman Group and our own internal guidelines from *Five by Five* and various brands' perspective to ensure that we can absolutely try and raise the bar in terms of digital controls to make sure that our content is socially responsible and only targeting those we only want to see it.

Q687 Sandra Gidley: But there are a lot of people who can see it on the Web. Can I just come back to *Twitter*? You say you do not use *Twitter* at all for advertising. Do any of you have any plans to use *Twitter*? I tweet and occasionally get followed by somebody called "Horny Hotty", which worries me greatly! I have no control over her and I keep trying to block her. But the nature of *Twitter* again people send share links about things they like, and again no age controls. Also, it could seed the potential for advertising but no age restrictions.
Mr Gill: Until such time as *Twitter* can guarantee from a Beverage Brands' perspective, in much the same way that we can do with *Facebook*, a date of birth, and therefore your followers and people you follow and people who follow you can be guaranteed over 18, we will not enter into that medium. You are right, that people can share links about anything on there if they so wish, but to further Nick's point once they click on that link there are the controls in place for them to gain access to it.

Q688 Sandra Gidley: Which are not very robust, as we have seen. So there is nothing to stop the whole viral networking; there is nothing to stop anybody disseminating these fun things which actually link to the site.
Mr Gill: Dissemination is one thing and getting access to the content is something completely different.

Q689 Stephen Hesford: To Nick, on this page, on your tank game "Win a year's supply of Smirnoff"; what is a year's supply of Smirnoff?
Mr Constantinou: It was a year's supply of red vodka which was calculated on three units a day, which I believe are the government regulations for safe consumption. The prize would be delivered at quarterly periods rather than a big chunk of the prize upfront. Obviously targeted at over 18s only and it is seen as a sharing prize—that was the purpose of the competition, for a game to enhance the brand awareness and people talking about the brand—to share that prize with their friends.

Q690 Stephen Hesford: But if it was calculated on consumption of three units a day per person—
Mr Constantinou: No, it is one person.

Q691 Stephen Hesford: How could you share it with your mates? You would be a tight, mean character if you are getting a year's supply of three units a day for you; so how could you share it?
Mr Constantinou: We are promoting responsible drinking, but we are promoting responsible drinking by sharing smaller quantities on a less frequent basis.

Q692 Stephen Hesford: So this is a really mean campaign!
Mr Constantinou: That is not for me to comment on. Certainly from a marketing point of view and with our clients that was very much the correct volume we felt, again, that went back to the responsible and respectful marketing guidelines that we are legally contracted and expected to follow for Diageo.

Q693 Chairman: When this site talks about share a game or forward the game to friends, what is the mechanism for doing that? Do you just click on a button and put somebody's email address in? What is the mechanism of sharing it with a friend?
Mr Constantinou: A small form will appear on the website and you enter your names—first name, last name and email address, and more often than not you will be expected to tick a box confirming that you agree to the terms and conditions of doing so.

Q694 Chairman: Is that receiving it or sending it?
Mr Constantinou: Sending it.

Q695 Chairman: Because we have age verification going on to this site, we are assured, but how do you then sent it on to somebody else? What are you asking for as verification and by whom?
Mr Constantinou: What you are sending on is a link, a web address, and it arrives in your friend's email inbox as a web address with some nice copy, etcetera, around it. You click that link; you have to go back to the beginning of the experience and go through the verifications.

Q696 Chairman: So it triggers the verification from the receiver before they can actually play the game?
Mr Constantinou: Yes, it is not a direct hotlink.

Q697 Charlotte Atkins: Roberta, could you explain what sort of PR you do for Beverage Brands in respect of particularly WKD?
Ms Fuke: Of course. We were taken on earlier on this year to support WKD in terms of media relations activity, reinforcing the messaging around having a laugh with your mates but targeting the 18-25 year old age range. Focus is on targeting key consumer magazines, primarily things like *Nuts*, *Zoo*, *FHM*, *Maxim*, those sorts of titles which are for adult males, with content which is based around having fun, having a bit of a laugh—quirky humour—reinforcing our messaging that we are trying to deliver a number of objectives in our campaign; so our campaign is focusing on encouraging maintaining loyalty, so sharing that sense of humour and building a bond with the consumer.

Q698 Charlotte Atkins: So there is WKD and *Nuts* and also there is a football company as well, is there?
Ms Fuke: The support for the *Nuts* football award from our point of view is media relations, so news releases around those who have won the award. The awards are quirky; they are run through *Nuts* magazine.

Q699 Charlotte Atkins: Tell me a bit more about the football awards.
Ms Fuke: *Nuts* magazine is a partnership. WKD are partnered with *Nuts*; *Nuts* has an average age range of 24 years in terms of readership. 92% are over 18 in terms of the readership again, so it is absolutely targeted to our target audience. It is very football focused in terms of content. Football in terms of an aside, in terms of the award itself, about 35% is the current figure of 18 to 25 year olds play regularly and 54% watch sport in a social environment, so maybe with their friends at home or in a pub, for example. So it is an appropriate link for us as a brand. The initiative itself is irreverent, if you like, sporting awards—so best hair cut, a bravery award for the player who has managed to play on despite injury, the best bargain of the season, etcetera. The awards themselves are voted on by members of the public, again working through the *Nuts* magazine content, if you like; and our job from a PR point of view is to promote the winners.

Q700 Charlotte Atkins: I thought that there was some sort of ASA code which actually talked about not linking up with sport, sex and so on. Would that linkage not transgress those codes?
Ms Fuke: The initiative we are talking about is a sponsorship and the sponsorship is not focused on the brand itself but it is sponsorship of football awards and *Nuts* football awards are about sponsoring or encouraging people to engage with football and we simply support that and this sponsorship initiative is managed through equally important guidelines, so a marketing activity would be related to that in terms of content, style and tone.

Q701 Charlotte Atkins: But you are aware that there is a code which suggests—in fact forbids the association of alcohol with sporting success and with masculinity and sex.
Ms Fuke: This is not about sporting success and masculinity; this is awards which are irreverent that the fans make to the people who have played all through an injury or the best chant on the terraces.

Q702 Charlotte Atkins: So basically it is a way of linking up with football without transgressing the code?
Ms Fuke: I am sorry?

Q703 Charlotte Atkins: It is a way of linking up men's obsession with football without transgressing the code?
Ms Fuke: I do not believe it conflicts with the code, no.
Chairman: Could I thank all three of you very much indeed for coming along this morning and helping us with this inquiry.

Witnesses: **Ms Charlotte Thompson**, Director, BJL, **Mr Joseph Petyan**, Joint Managing Director JWT, **Mr Chris Morris**, Chairman, Big Communications Group and **Mr Andrew McGuinness**, Chief Executive, BMB, gave evidence.

Q704 Chairman: Good morning, could I welcome you to the Committee of our fifth evidence session on our inquiry into alcohol. Could I ask you to give us your name and the current position you hold, for the record, please?
Ms Thompson: Charlotte Thompson; I am a director at BJL.
Mr Petyan: Joseph Petyan; I am a joint managing director at JWT London.
Mr Morris: Chris Morris; I am chairman and head of planning for Big Communications.
Mr McGuinness: I am Andrew McGuinness, a partner and director of Beattie McGuinness Bungay.

Q705 Chairman: Welcome. This is a question to all of you but we have specific questions for specific individuals. Last week the British Medical Association joined calls for a complete ban on alcohol advertising. Are you at all concerned about being associated with a product which, by the Royal College of Physicians' estimation causes something like 40,000 deaths per annum?
Mr Morris: Shall I start? Obviously there is concern and we take our responsibilities in the marketing of alcohol extremely seriously and there are, I believe, some robust regulations in place. But I would say that I do not think it is alcohol *per se* that causes 40,000 deaths—I would have to suggest that it is alcohol abuse, and as an industry we are very concerned to ensure that nothing we do actually feeds alcohol abuse in any shape or form. Personally I believe that the advertising industry is strongly regulated and we work extremely hard to ensure that we adhere closely to those regulations.

Q706 Chairman: Does anybody have anything to add?
Mr McGuinness: I would agree. We are in the business of responsible drinking and it is irresponsible drinking that leads to those deaths. We work very, very hard within the ASA and BCAP codes but also on behalf of Carling we are extra stringent to ensure that we are absolutely associated with responsible drinking and in putting forward those messages.

Q707 Chairman: When you talk about alcohol abuse, Chris, do you measure that in terms of units or what?

Mr Morris: I think in many ways, but we are conscious that the government cites the alcohol issues in probably four categories—under age, long term harm and so on. There clearly are differing categories of alcohol issues.

Q708 Chairman: Presumably it will be on current consumption as opposed to consumption over 30 or 40 years; what you call abuse would be in that category, would it?
Mr Morris: Primarily, but we do know that there is long term harm which is an issue as well.

Q709 Chairman: What proportion of your revenue is related to promoting alcohol and what effect would a total ban on advertising alcohol have on each of your businesses?
Ms Thompson: It is around 3%.
Mr Petyan: The industry as a whole, the figures in 2008 it was approximately 220 million, I believe, of the published numbers to the industry as a whole. So that represents 1% of the advertising market in total.
Mr Morris: For our particular business around 15% of our revenues.
Mr McGuinness: For our business less than 12%.

Q710 Dr Stoate: This is a question for all of you really. The ASA can require you to remove a campaign if it breaches their guidelines. But how realistic is the sanction? Does it ever affect any of you?
Mr Petyan: It has not affected my agency personally or me personally, but it is in my view an extremely effective sanction. As the Committee will be aware, marketing support numbers many millions of pounds and for us to have a business relationship with our clients it is incumbent on us to be as responsible in our marketing as we possibly can. So to have an ad removed results in wastage of marketing monies, which is therefore detrimental to the client's business and to our business.

Q711 Dr Stoate: But by the time it has been removed it has already been on for several weeks and you are easily able to switch it to new media. So how much of a real loss would it represent?
Mr Petyan: I am not aware of the periods you are talking about because there can be exceptional fast tracking and removal of adds and one of the key fundamentals of pre-clearance in broadcast advertising is that the media companies work with us in the broader industry to refuse to air commercials that have not been pre-vetted and pre-cleared by the relevant authorities.

Q712 Dr Stoate: We will come up with examples where we are sure that that is not a blanket situation, but we will come back to that later. Given that there are quite tight restrictions on advertising and particularly things like you are not encourage immoderate drinking, you are not allowed to encourage the view of sexual powers or attractiveness linked to any particular alcohol, do you think that the rules are about right or are they too restrictive?
Mr Morris: The rules changed for us. The Ofcom regulations came in in 2004, 2005, as I am sure you know. That made a sea change to the WKD advertising and that is not to say that we were in any way disrespectful of the rules prior to that, but we were well within the legislation and the rules that appertained at the time. I think those rules actually helped and were welcomed in the sense that it created a sea change and they clarified some issues about humour and the concerns about humour spilling over to under aged people that we do not wish to attract. That has caused us, I think, to change our advertising in a positive way. Every single consumer advertisement we produce is pre-vetted and that is mandatory in terms of broadcast advertising, but on a voluntary basis for press and posters through the CAP. We find that process useful and helpful and it keeps everybody in check and I think it is doing a good job. We have never been complacent and in the future they will always stand for review and modification and we will work to whatever modifications come into play.

Q713 Dr Stoate: Do you have a different view to that or is that broadly shared?
Ms Thompson: I would agree with that. I think that the advertising industry in the UK is held up as best practice of a self-regulatory system across Europe. If you think of the 25 EU contributing countries the UK contributes a significant amount of self-regulation and per capita is one of the highest in the world. That is £10 million from the industry and not from the public purse. We take adherence with the regulations very, very seriously, not only because if you did not adhere to the regulations there would be a severe commercial implication, i.e. the investment in a campaign if it is pulled has gone to waste; but also we would risk the consumer not trusting the brand and the consumer trusting the brand is an incredibly important element of brand building.

Q714 Dr Stoate: Do any of you have anything to do with sports sponsorship and running campaigns with sports clubs?
Mr McGuinness: Carling as a brand do; we are not directly involved in that but Carling as a brand do.

Q715 Dr Stoate: What do you feel about a brand being on the front of football shirts that is obviously then accessible to anybody at any age?
Mr McGuinness: It is not an area that we give them advice on. It forms a part of their communication but it is not a large part of the communication.

Q716 Dr Stoate: You do not know anything about the size of the budgets or how much of an impact it has then?
Mr McGuinness: It is difficult to quantify the impact of that sort of thing, but it is not an area that we directly advise them on, no.

Q717 Dr Stoate: You cannot comment on the fact, for example, that France has banned it and has noticed quite a reduction in violence around football matches as a result of banning advertising on the strip?
Mr McGuinness: I cannot comment on France; I am not familiar with that data.

Q718 Dr Taylor: To all of you, first of all, do you recognise the term "kidult advertising" and what do you understand by it and what do you mean by it?
Mr Morris: I became familiar with it for the first time at last week's session so it is not common currency language for me, but I can assume that what is implied by it is that there is advertising where ages get blurred—in other words, it may be advertising for an adult product that could erroneously appeal to young people or conversely messages to young people that could appeal to older people.

Q719 Dr Taylor: So you would absolutely agree that it is impossible to have an advert that would appeal to 18-year olds and not to 17-year olds?
Mr Morris: That is a tough question. The regulations for alcohol advertising are in place for a very good reason and there are controls in place for the media and placement of messages and particularly for the content, which is the area I am involved in. That content is designed to appeal fundamentally to in our case 18 to 25 year olds in a diminishing market category and we do everything possible to push our messaging and tone and identification of our audience to the upper end of that group to move away from that fringe area.

Q720 Dr Taylor: Any other comments about the term, or is it a new term that was coined last week?
Mr McGuinness: It is not a term with which I was familiar before, until the transcripts for last week.

Q721 Dr Taylor: Moving on from there—it is really Charlotte and Joseph because we are going to talk about the Lambrini campaign for the moment. Page 4 of the brief you have in front of you shows a diagram mapping out the female drinks market using target group index data and in the bottom left hand quadrant it includes ages 15 to 24. So why ever did the campaign include data of women under the legal drinking age?
Mr Petyan: I would just like to point out, as I mentioned to the Clerk of the Committee, that this document refers to Cheethambell JWT, which is a sister agency of ours based in Manchester; so that is a separate legal entity and I have absolutely no involvement with them. So accordingly this is the first time I will have seen this document and I am not aware of any of the history with Lambrini. I just wanted to make that clear.

Q722 Dr Taylor: So you are not involved with Lambrini?
Mr Petyan: I am not involved—JWT London has never been involved; it is a separate sister company, a separate legal entity that exists in Manchester.

Q723 Dr Taylor: Would you agree, not having been involved, that including the age 15 to 24 group really implies that these people are looking at that age group and how to target them, particularly with Lambrini, which is the sort of thing that does appeal particularly, we believe, to girls and particularly to youngish ones?
Mr Petyan: I honestly cannot comment because I was not involved with this, save one thing which is that this appears to me, just looking at the footnote, to be their qualitative conclusions summary. So it would appear to me to be the result of some qualitative research which is an analysis of some raw data gleaned from focus groups with potential customers and people in society. So that would be my only observation on this, that it is internal non-communicable research analysis.

Q724 Dr Taylor: And again nothing to do with you?
Ms Thompson: The document is not but I am very happy to comment on Lambrini's targeting of age groups. We were employed by Halewood International to look after the Lambrini business last year and therefore have started their campaign planning for the current work—this is back in 2006. But our campaign planning targets 18 to 24 year olds, and it is worth saying that 48% of Lambrini drinkers are actually over the age of 35. If you look at the consumption of the product it is actually a product that is consumed by—the larger portion—over 35s. It is a C2D audience with predominantly an income of under £17,000; so it is a value product that appeals to everyday women and certainly our targeting and the content that we create is targeting over the age of 18.

Q725 Dr Taylor: Being ignorant on market research, how do you know that it is 48% of people over the age of 35?
Ms Thompson: There is a survey called Target Group Index, which is a national independent survey which advertises and their agencies consult regularly to look at their target audiences and segments. Target Group Index is a survey of 25,000 people throughout the UK and they are asked a series of questions on their brand consumption and their attitudes. That is then extrapolated to national population levels.

Q726 Dr Taylor: So you get it from that. Turn over to page 5. One is supposed to ensure that people depicted are not under 25 or looking under 25. How do you ensure this because the people on those particular pictures certainly look to be under 25? How is this enforced?
Ms Thompson: I am happy to comment on this. This predates our involvement; we have taken on the campaign posters' activity. But the guidelines that we follow we have to have all of the casting that is involved in the advertisements that we produce pre-approved. So not only does the copy and what we sell get pre-approved but the casting and who we feature in advertisements. It looks like what you are referring to here—and again this is not evidence that we have submitted—is movies that have been uploaded by customers. You would have to be over

18 to access the site through the age gate regulation that you have spoken about in the last session. But you would have to be over 18 to enter a competition as well. I do not know if that was the case in this instance but certainly they would have had to state that they were over 18 in order to apply for the competition.

Q727 Dr Taylor: But uploaded videos could show people under the age of 25 and there would be nothing against that.
Ms Thompson: Certainly representing Lambrini now we would never do that and I cannot comment on this particular instance because I do not know. The images are very small, plus I do not know the specific age of the women that were involved. I imagine, working very closely with Halewood who always insist that we stick to the letter and the spirit of the code, I would be very surprised if they were under that age.

Q728 Dr Taylor: So you feel that there are controls now that would mean you would prevent uploaded videos showing people of doubtful age coming on to see.
Ms Thompson: Yes.

Q729 Dr Stoate: This was accessed on 15 June 2009, so it is not that long ago.
Ms Thompson: It was accessed, sorry?

Q730 Dr Stoate: This slide was accessed on 15 June 2009, which is about three weeks ago.
Ms Thompson: So it is current content.

Q731 Dr Taylor: Thank you for pointing that out; so it is still there.
Ms Thompson: If it is still there all I am saying is that our agency did not create the content; so I can give you a point of view that I do not think any under age drinkers should be depicted on any website, but from this I cannot see that they are under age drinkers.
Dr Taylor: I think we have Halewood coming next.

Q732 Chairman: Chris, when Richard asked you this question about the issue of is it possible to ensure that an advert that appeals to an 18-year old does not appeal to a 17-year old, you said that it is a very difficult question. Can I ask the other three witnesses, do you think it is a different question as well and what would be your answer to it?
Ms Thompson: It is undoubtedly clear that teenagers aspire to be older and that is an age old thing—when I was a teenager I aspired to be older as well. The alcohol industry in its industry is very heavily regulated, however, and it is not just the post nine o'clock ban that applies. So when we place advertisements for Lambrini, even those programmes post nine o'clock that their content is seen to appeal to teenagers we are not permitted to advertise next to that programming. So, again, I believe that it is a very heavily regulated industry and we have to make sure that the content—

Q733 Chairman: That does not answer the question of whether you think you can pitch an advert that appeals to an 18-year old but not to a 17-year old. That is the real issue.
Ms Thompson: The reason it is compulsory to feature casting adverts that are over the age of 25 is the industry's attempt to get around that, I think. It is difficult to appear 17 if you are in fact 25.

Q734 Chairman: Joseph and Andrew, would you agree with that?
Mr McGuinness: Our target audience we start at 25 to 34 as the key target audience for Carling and the casting seems exactly right and we apply that principle and also to our media buy to make sure that there is no room for error.
Mr Petyan: I would also say that with particular regard to the work we do with Smirnoff it is a premium brand we are working with and so the younger the audience the less premium in field that would have so it is in our interests to keep above 25 in our depictions of characters and so on, as my colleagues have said.

Q735 Dr Naysmith: Charlotte, you may or may not have been involved at the time but it is going back to Lambrini and the involvement with Coleen Rooney, Wayne Rooney's wife, and last December the Code of Advertising Practice told BJL that you could not use Coleen in your advertising. Lambrini then decided that they would sponsor her ITV show, *Coleen's Real Women* and support this campaign with posters—and if I hold up here the one we are talking about—which does mention the show but it mentions Lambrini more often and it is certainly using Coleen, in probably the same way that *Real Women* similarly use her anyway. Do you not think that that just makes a mockery of the regulations that all of you have just said were very tight?
Ms Thompson: I am happy to address that issue and to make the Committee aware of the chronology of events. We were approached by the television, first and foremost ITV, to see if we had any brands that would like to sponsor this programme. The sponsorship process is a bidding process so a number of different brands submit a proposal to be considered by ITV, who are regulated by Ofcom, and also by the programme makers, in this instance *Endemol*. We submitted a price and a rationale for why Lambrini should sponsor this programme and were successful in that. Part of the proposal that came to us was also to have further associations with Coleen Rooney. We predominantly sponsored the programme because I guess we felt that the brand attributes of the programme mirrored the brand attributes of Lambrini: that is, it supports everyday women in their aspirations to achieve the people who are featured in the programme—the real heroes of the programme, if you like, are the everyday women that get the opportunity to do something that they would not ordinarily have; these are everyday working women. Coleen Rooney hosts the programme and we considered very carefully our association with the programme itself because the programme host is under 23.

Q736 Dr Naysmith: The point—if you do not mind me interrupting—is that Coleen is under 25 and is known to be under 25 and that really is the point.
Ms Thompson: CAP gave us the advice that we should not feature the image of Coleen Rooney in consumer advertising and the image of Coleen Rooney has not featured in any consumer advertising. So any consumer activity, which is our responsibility on behalf of Halewood, has not featured Coleen Rooney and the advert that you have in your documentation is actually a trade press advertisement that Halewood International produced to go in *The Grocer* magazine, and *The Grocer* magazine targets retailers and the advert was placed in order to get retailer support to stock the products in advance of what promised to be a successful consumer campaign.

Q737 Dr Naysmith: Does it appear on any websites anywhere?
Ms Thompson: The image of Coleen Rooney does not appear. The Lambrini sponsors *Coleen's Real Women* that does appear on consumer websites and we proactively approached ITV and CAP to get guidance on this very issue. So any advertising or digital activity that is targeting consumers, that is produced by BJL on behalf of Halewood and features Lambrini, sponsors Coleen's Real Women, the programme. An interesting additional point on our website through a number of different magazines we ran a consumer survey to see what our consumers felt a real was and to nominate who they felt was a real woman. Over 1000 people responded over the age of 18 and they nominated Dawn French, and the reason that they said Dawn French was their ideal real woman was that because she was straightforward and she had a good sense of humour, and those are the values that Lambrini embodies.

Q738 Dr Naysmith: So you feel that you have stuck by the rules and you have not in any way attempted to overcome that?
Ms Thompson: I do.

Q739 Dr Naysmith: If I can ask you about something that happened in 2007 with Lambrini—I am not sure what your relationship was then. Clearcast—that is the organisation that clears adverts for transmission—told Lambrini that their strap line "Lambrini girls just wanna have fun" was unacceptable and had to be changed because it implied "women under 18 getting drunk on cheap alcowine". You are familiar with that ruling, are you?
Ms Thompson: I am familiar with that ruling.

Q740 Dr Naysmith: How can it be acceptable that adverts using this strap line are still being streamed through the Lambrini website?
Ms Thompson: Any of the advertising material that we have produced—the consumer facing line for Lambrini is now "Do the Lambrini"—we take the codes very seriously and I can assure you that nothing that the agency has produced carries the line "Lambrini girls just wanna have fun". The website you are referring to, which I am familiar with, is the corporate website. We had a campaign website, which is "Do the Lambrini"; on the corporate website there is an archive of old adverts. I am not sure what the statistics are in terms of who accesses those adverts, but as in many corporate websites which is predominantly for trade consumption the archive and the history of the brand is documented. Those ads I know are not downloadable so you cannot access them and put them on your own computer but you can see them there.

Q741 Sandra Gidley: A question to Joseph. If you could look at page 8 there is an image from the *Sidekick* campaign. It that your responsibility?
Mr Petyan: No. I am afraid it is as per my previous answer; it is nothing to do with JWT London.

Q742 Sandra Gidley: Did we get it wrong or did your company deliberately send the wrong person along who cannot answer any questions?
Mr Petyan: I have been in lengthy correspondence with the Committee over a long period of time since the initial requests were made and we have given all the information and assistance that we can to this point where I am attending today.

Q743 Sandra Gidley: Perhaps you can comment anyway. This *Sidekick* advert starts off with 5.30 at night, "Pop to shops on way home from work. Buy shots on impulse. 6.30, get ready for a night out and get in the mood. 7 p.m. Drink at home to start night off. Neck a few shots between beers/wines." Later on at 9.30 "Do shots in between rounds. 11.30 p.m. Too full for pints so turn to shots. 3 a.m. Home to bed?" It does not question whether the bed is actually at home or in hospital really. You may not be able to comment on any responsibility for this but do you think that that complies with the code about which we have been hearing, that you will encourage responsible drinking?
Mr Petyan: Again, you have partially answered my question for me. I would say personally that in my remit and in our company's remit and the work that we do for Diageo—and this is work, I must stress, I have never seen before and we have not done (*Sidekick* is a Halewood Brand)—we adhere very strictly to the rules and the engagement that is laid out both in the Diageo marketing code and also in the BCAP and CAP rules of engagement and we take that extremely seriously. I refer back to my previous answer at the outset, which is that it is a severe detriment to us as a business were we to fall foul of those codes by reputation and commercially, so to me I have no input on this, but it is something that we would not have produced based on the rules of engagement that we have with our clients.

Q744 Sandra Gidley: So this is obviously produced behind the scenes. This is a power point presentation so it did not appear on the Web, but it clearly indicates the sorts of thinking going on behind the making of an advert, surely?

Mr Petyan: You raise an important point because again I have no knowledge of this particular issue or screen grab whatever it is and I do not know anything about its genesis but what I can say is that you have raised an interesting point about what goes on internally because the series of processes, the checks and balances—and I can show you the depth of the Diageo codes that every supplier agency works to and the processes which look as complicated and detailed as this, [he holds up code and process] but they are all in place to ensure that anything that does take place—it should not, but if it does—then it is only internally and it never reaches the general public, and that is the intent behind the code.

Q745 Sandra Gidley: But there is an important point that these internal documents actually are very illustrative about the real thinking and the real motivation behind some of your campaigns, so by the time they reach the consumer they are diluted, but obviously if you are a creative industry you would be doing yourself a disservice if you said that you could not creatively work around some of these backroom briefs to produce an advert that gave the right impression.
Ms Thompson: If I could respond to that? Looking at this, it looks like a power point document that was produced in May 2005. Since BJL were employed by Halewood last year they have asked us to look at some strategic repositioning work for *Sidekick*, which should be in your evidence submission as well. With both that and Lambrini our brief is to ensure that responsible drinking is encouraged and *Sidekick* as a product is no longer available in shot format as it was back then. There were a series of new regulations that were brought in in 2005 and if you look at advertising pre-2005 and post-2005 the content is distinctly different, and I think rightly so. It sticks to the rules and this sort of thing would never happen now.

Q746 Sandra Gidley: So in essence you are saying that it has interest as an historic document?
Ms Thompson: Yes.

Q747 Sandra Gidley: And it would never happen now?
Ms Thompson: It would never happen now, and I confidently say that you have seen our *Sidekick* strategy and that is all about thinking of *Sidekick* not as a shot product but as a product that you can use in different circumstances; so it might be as a long drink to be diluted with a soft drink, it might be as a cocktail ingredient. But it is now in a 500 ml screw top format so it is not presented as a shot drink.[1]

Q748 Sandra Gidley: We will move on to what is happening now. If you look at page 10, this is WKD. Which one of you is responsible for that—Mr Morris, I think? This again I think is a power slide but we have a brand WKD and 45% of volume men and the bottom point says, "Importance of advertising and campaigns to communicate maleness and personality." Is that not against the code?
Mr Morris: No. I can see where your point comes from but this is quite different from the construct of the advertising that we create under the codes. This is internal discussion again; it is based on research; it is based on the market descriptions and it is simply saying that in a category like RTDs there are female drinkers and there are male drinkers and when brands differentiate themselves in order to gain a market share from their competitors some brands may choose to be more female orientated with their brand personality and other brands, like WKD, will try to be male in its orientation of that brand personality. That is what that is saying; that the maleness of the brand personality needs to be borne in mind in the communication and not promoting any kind of male prowess of anything like that. The rules would not permit that, the company code would not permit that; the Beverage Brands code would not permit that—it is not an area we would ever go into. It is simply the brand personality description for an internal discussion on targeting.

Q749 Sandra Gidley: But surely that feeds into how you try and portray the product. So you may not have WKD TV ads portraying masculinity or laddishness but the website, much as in the way that Charles and Dave or Kevin and Dave or whoever it was, it was clearly a laddish approach.
Mr Morris: We describe that target audience as social lads and we make no bones about that and in our description of social lads we are in touch with the 20-something market of today. We are trying to reflect our brand as being in touch with that market; that we resonate with them and we share their personality, share their sense of humour, basically. Social lads are everyday working guys or they may be university students. They like to socialise, they are heavily into socialising and that is an important part of their world as guys. They like to go out with their friends; they like to go to the cinema or to go to the pub, and this really is the description and it is keeping our thinking on track in having that audience in mind when we create this brand and when we create the communication of this brand, in line with the regulations.

Q750 Sandra Gidley: If you turn to page 11 there is something called a "big creative brief". Point 4: "What do we want our audience to think, feel or do? I tend to drink WKD during a night out as a change of pace when beer is getting a bit much for me." Is that promoting responsible drinking?
Mr Morris: Again it comes back to the difference between—this is an internally created brief, as I am sure you are aware, an internal document to help our creative teams get the idea of what we are trying to communicate. This is actually just a description of what we would like our audience to think. We are aware that RTD and not just WKD has a functional use as described by our users in that sometimes after a couple of drinks of lager or cider they may try an

[1] Note by witness: Although the bulk is now sold in 500ml bottles, there is still some distribution of the pack format.

RTD product to clean the palate or for a change of pace—as a description of it. This comes from research into the actual way of life of real-life users. It was not what we want to propagate and certainly it was not the kind of message that you will see anywhere in our advertising and if we ever tried to do anything it would not be permitted and quite rightly so.

Q751 Sandra Gidley: But it is not overt, it is covert is it not because let us start from the basics. The drinks industry would not go out of business but would be considerably the poorer and the advertisers would be considerably the poorer too if everybody drank responsibly. So there is no incentive for the drinks industry to genuinely want to have people drinking responsibly. Some of the material we have seen that are backroom briefings for the advertising industry clearly show this. You have to keep your customer happy within the code, so is it not the case that you are ever more being forced to think creatively about how to portray some of these laddish drinking fun images within the spirit of the code?
Mr Morris: I would say absolutely not. The industry has every incentive—every incentive—to encourage people to drink responsibly and indeed takes actions towards that. We as a brand have worked with the Montfort University for about a year now, taking to students to try and really get under the skin on a peer to peer basis of what they would do because they are aware too that there are some minorities that are behaving irresponsibly with alcohol. The outcome of that is for us to produce a communication campaign with those students. They put in ideas and we put in ideas and we have researched our ideas with them—it is called "Look after your mates". It talks about the antisocial and health and harmful consequences of irresponsible drinking amongst their friends and this is potential, I hope, for the future. 150,000 posters have been printed and will be in 30,000 pubs next week, any time now. So I think to suggest that irresponsible drinking is our way to sell more stuff is absolutely wrong. It would cut off our noses very quickly if that is what we actually did, were seen to do or wanted to do. We do not want to do that; we want a healthy, responsible drinking environment then we can all compete properly for a safe market with a legal drinking age consumer.

Q752 Sandra Gidley: How many times has a WKD advert been the subject of a complaint and being found to have breached the code?
Mr Morris: In nine years of television advertising we have produced 32 TV commercials and we have had two upheld complaints under alcohol laws. Both of those were commercials made pre the Ofcom regulations that I referred to earlier. We were given permission, approval to rerun those commercials post the Ofcom changes, whilst producing new commercials. We had complaints about those two ads and those complaints were upheld. Those are the only commercials under alcohol rules and there have been no upheld complaints since then.

Q753 Chairman: Can I ask you, Chris, because the strap line across there is, "What do we want our audience to think, feel or do?" Would you not want your audience to think that if they get to a situation where "beer is getting a bit much for me" to stop drinking?
Mr Morris: Yes. But realistically this is focused on a job. We are an advertising agency with a client and our job is to help enhance their market share.

Q754 Chairman: As a beer drinker—or an ex-beer drinker really—the idea that I would want to clean my palate after a beer has got too much for me with a spirit-based drink is a bit beyond belief, quite frankly, with all respect. I just find that no matter what the advert says if this is what the backroom is what are we to think?
Mr Morris: Again, it is painting a picture for our creative people to understand the market and the consumer to whom we are communicating. It is a picture of some people in the real world of 20-something behaviour. But we are not in any way—

Q755 Chairman: It's a picture. I accept that entirely but I am not sure whether it should be encouraged.
Mr Morris: I am not encouraging it because that communication absolutely does not encourage it; our company does, Beverage Brands codes, the ASA codes absolutely forbid encouragement of excessive consumption.
Chairman: We do understand what the codes say.

Q756 Stephen Hesford: Cheethambell, JWT—you are JWT.
Mr Petyan: London, yes.

Q757 Stephen Hesford: And you are managing director.
Mr Petyan: Joint managing director, yes.

Q758 Stephen Hesford: What relationship does JWT London have strictly with Cheethambell JWT?
Mr Petyan: Shared ownership through WPP, the holding company.

Q759 Stephen Hesford: What is your share of Cheethambell JWT shared ownership in relation to your company?
Mr Petyan: WPP owns both companies. Whilst JWT Manchester—Cheethambell Manchester—is a separate legal entity I believe it is wholly owned by JWT. But I am the joint managing director of JWT London and we have separate clients, separate products and communication separate business models and separate operations.

Q760 Stephen Hesford: So Cheethambell JWT is wholly owned by your company of which you are the managing director.
Mr Petyan: JWT is a global brand; it is a global advertising communications business. It has over 200 offices worldwide.

Q761 Stephen Hesford: So who is your parent company?

Mr Petyan: Our parent company is WPP.

Q762 Stephen Hesford: And of WPP what percentage of that are you?
Mr Petyan: To be entirely frank I have absolutely no idea; I would have to come back to you with the answer on that, what the percentage is.

Q763 Stephen Hesford: It just seems to us—and it may seem to others listening—that the fact that you say you cannot comment on what for us would be quite significant adverts just does not seem believable.
Mr Petyan: I refer back to my previous answer in that I have been in lengthy correspondence with this Committee and the Clerks for a period of two months and we have supplied I believe over 2000 emails and many, many documents as requested, which pertain to our dealings with Smirnoff specifically and Diageo.

Q764 Stephen Hesford: You must have known then that we wanted to talk about Cheethambell JWT?
Mr Petyan: No, I only found out yesterday. I phoned the Second Clerk of the Committee in the morning and the first I heard of the fact that Cheethambell had been engaged in this process was yesterday morning. Indeed, when I spoke to colleagues internally yesterday and found out this news, because it was a surprise to me—it had never come up in any previous correspondence that I had had with the Committee—and my colleagues asked me whether I had by the same token shared the fact that I was supplying evidence and our company in London was supplying evidence to the Committee and we had not shared any information with Cheethambell because they run as a completely separate operation and it did not occur to us, I am afraid, to communicate with them. So it was only yesterday morning that this matter was even raised.

Q765 Stephen Hesford: Do you have a share option with JWT London?
Mr Petyan: Personally?

Q766 Stephen Hesford: Yes.
Mr Petyan: Yes I have share options as part of my remuneration.

Q767 Stephen Hesford: Do you have share options with WPP?
Mr Petyan: Yes.

Q768 Stephen Hesford: So you are a shareholder then of Cheethambell JWT, are you not?
Mr Petyan: Effectively I am awarded stock based on performance as part of my remuneration.

Q769 Stephen Hesford: Are you a shareholder of Cheethambell JWT?
Mr Petyan: I do not believe I can be. I would have to check the specifics but I am awarded shares as part of my remuneration in WPP, which is the overall holding company for many hundreds of companies around the world.

Q770 Stephen Hesford: Is it of interest to you that one of your sister companies under your group of companies has adverts like this which were being questioned by Sandra Gidley, which have issues that you felt unable to deal with today? Does it concern you that there are issues?
Mr Petyan: First of all, that is not an ad; I thought we had established that it is not an ad. It appears to us at any rate to be an internal document so it is internal stuff and it is part of a process that has taken place in a company that is a separate legal entity to my own. So I have to be honest, I cannot comment on it beyond what I have said already.

Q771 Dr Stoate: Andrew, let us talk about some of your campaigns. It says specifically in the code that you must not use the suggestion that success of a social occasion depends on alcohol. If you turn to page 12 of the briefing it does fairly explicitly say in there that when "Carling is with them and their mates they have better times". So is that not another way of saying that alcohol is relevant to improving social results? Is that not advertising social success as a result of alcohol?
Mr McGuinness: Again I would draw the distinction between internal documents and what that turns into. For Carling we have not even featured someone drinking or consuming alcohol for five years in any of our advertising, let alone directly fall back on that sort of comment. I think the truth about the target audience that we are target is 25 to 34 year old males, as I have said before. They do spend a lot of time together; they spend a lot of time together at football, they might shop together, go to the cinema together and indeed do go the pub together, and they do spend time together and Carling is part of that time they spend together. Our communication though is not focused upon the way in which that audience consume the beer, it is focused upon, if you like, holding up a mirror to those people and reflecting the sociability and camaraderie that they feel within their group of guys.

Q772 Dr Stoate: Going to page 13, to "Carling's Ten Commandments", they start off with "Thou shalt never abandon your mates in favour of a girl; though shalt never leave a game early; though shalt never miss a round." Is that not implying that anyone who refuses a drink or thinks that they have had enough is a wimp and therefore should not be part of the team?
Mr McGuinness: I have not seen this document. The header here is Hill & Knowlton who are the PR advisers to Carling. I know that particularly for Carling we apply very stringent criteria to our communications. It is a family business, and to the point earlier on about the code regulation is very strict within this industry. But equally one has to look at where your client is and what the values of the organisation are for whom you are working, and for Carling the value of the organisation as a family business is very important to them. Certainly this is not a piece of communication that I have seen before or can comment on in detail. But I do think it is

important to bear in mind that not only our compliance with the code but what is in our best interests as an organisation because of the values of the organisations that we work for, and for Molson Coors that is a very, very important consideration.

Q773 Jim Dowd: You have not seen this before, you are not the author of it, but what is your reaction to it?
Mr McGuinness: To be honest I am answering questions as you are citing from it and I have not had chance even to read it.

Q774 Jim Dowd: You are a professional in these matters; you are not just somebody who has not just walked in off the street, you deal with this for a living.
Mr McGuinness: That does not make me any quicker at reading than you or I.

Q775 Jim Dowd: This is your business, this is your livelihood.
Mr McGuinness: This is not my business or my livelihood; this is someone else's document relating to their business and their livelihood. However, my view would be that it is not a document that we would produce as an organisation.

Q776 Jim Dowd: So you do not agree with the thrust of it?
Mr McGuinness: I think it not in tune with the values of Molson Coors as a family business and that is an important element to them, and it is not in tune with where we are taking the Carling brand, which is to 25 to 34 year old males. What we are doing with Carling is growing its aspirational qualities. Again, to some of the points earlier on it is important to recognise what is going on in the wider market here. The beer market, for example, has declined by 25% over the last 30 years and so we are talking about a market that is in significant decline. I think there is an assumption within some of the questions that we are talking about a burgeoning market and that we are looking to somehow burgeon that market further, and certainly for a brand like Carling we are in the business of making sure that people would prefer to have Carling than another beer. We are trying to build a brand affinity and not a beer affinity.

Q777 Jim Dowd: But is not one of the reasons that beer is in a decline, as you allude to there, that all the effort is going into selling other forms of alcohol?
Mr McGuinness: I would not feel able to comment on why that is, but there are a number of complex reasons why beer is in decline.

Q778 Jim Dowd: Such as?
Mr McGuinness: I could give you a view but it is not my area of expertise. I think the role the pubs play within our society and there are a number of things which are contributing to the decline of beer.
Chairman: Could I thank all four of you very much indeed for coming along and assisting us with this inquiry.

Witnesses: **Mr Andy Fennell**, Chief Marketing Officer Diageo, **Mr Simon Davies**, Marketing Director, Molson Coors (Carling), **Ms Deborah Carter**, Marketing Director Beverage Brands (WKD) and **Mr Graham Oak**, Marketing Director Halewood International Limited, gave evidence.

Q779 Chairman: Good morning and welcome to what is our fifth day of taking evidence on our inquiry into alcohol. Can I ask you for the record to give us your name and the current position you hold?
Mr Davies: My name is Simon Davies; I am marketing director of Molson Coors.
Mr Fennell: I am Andy Fennell, chief marketing officer for Diageo.
Mr Oak: I am Graham Oak, marketing director for Halewood International.
Ms Carter: Deborah Carter, marketing director at Beverage Brands.

Q780 Chairman: I have a question to all of you. You will be aware that the Royal College of Physicians estimate that the number of deaths caused by alcohol misuse in the UK is about 40,000 a year and with the social cost put at billions of pounds. Last week the British Medical Association called for a complete ban on alcohol advertising and the introduction of minimum unit pricing. Do you think the time has come to restrict the availability, price and promotion of alcohol?
Ms Carter: One of the first things we would like to pick up on, particularly with regard to an advertising ban, one of our overriding thoughts would be that an alcohol advertising ban would not actually stop people going out to pubs on a Saturday night, having alcohol with their barbeques or dinner parties. So I think one has to look at the wider marketing mix of alcohol. Additionally there are other alcohol categories that are not big alcohol advertising spenders but actually see strong growth. The wine industry would be an industry in which we have seen some phenomenal growth in the last 15 years but in relative terms has actually been a small alcohol advertising spender. So you have seen that there are lots of different dynamics in the marketing mix that could affect that. So we would say that you would have to look at all the elements together and an advertising ban would not really help. We would also be worried about the potential unintended consequences of that and might it push some producers to shift some of that money in their competition to gain volume share into more price activity, not necessarily in terms of depth of deal but maybe frequency of it.

Mr Oak: Adding to what Deborah has said, ultimately the advertising industry is heavily regulated already. Price and advertising are just but two elements within that and if you ban advertising you then have to look at all the other elements like PR, sponsorship, etcetera and there is no guarantee and no evidence to state that if you ban advertising you will prevent misuse, which is ultimately what we are all here talking about today. I think in terms of minimum pricing, yet again it has been clearly documented that pricing can help reduce per capita consumption—I think that came out in the Sheffield Report, but it did not say that it could help reduce misuse. One of the concerns I particularly have with regard to Lambrini is that Lambrini is consumed by everyday women, hardworking women and a lot of those women are on a low budget—62% of them earn £17,000 a year and I would have the concern that minimum pricing could make alcohol become quite an elitist product, and that is not the case and should not be the case for people drinking it responsibly.

Q781 Chairman: But it is a lot cheaper now in real terms than it was 30 years ago for all social classes, is it not?

Mr Oak: I cannot comment on that in terms of the numbers.

Mr Fennell: The majority of the British people drink alcohol responsibly and I think we should acknowledge that, and there is some misuse—specifically underage, binge drinking and some older males who drink too much at home. I believe we need to tackle the issues that we face in our culture. I think we should tackle them with targeted rather than population wide activities. So with specific regard to advertising restrictions we have a strong code and we need to live by that code and we need to make sure that that code is up to date. I do not subscribe to further restrictions because I do not think it will work against the issues that we face. If you look at the experience of some countries which have more liberal advertising regimes and lower incidents of alcohol misuse, places like Italy, for example, and some other countries—Sweden introduced an advertising ban in 1979 and unfortunately the issues which they face are proving very difficult to reduce. So the majority of our citizens treat this product responsibly and we need to target the misuse. But I do not think that population wide initiatives are the best way to do that.

Mr Davies: If we were to first of all to acknowledge absolutely that alcohol is not like other categories. We work for a family business and we recognise and we take our responsibilities very seriously. Alcohol is a category that needs to be treated with a great deal of respect. We believe that advertising has a role to play in the building of that respect by building long term brand relationships with our consumers and building those brand reputations. We also agree that education has a role to play and we believe that price has a role to play in the building of respect for alcohol.

Q782 Chairman: You have all said that banning advertising would not have the effect in terms of binge drinkers but what effect would it have on sales? What lessons can be learned from the restrictions of alcohol advertising in countries like France with their Loi Evin? Presumably you have looked at that?

Mr Fennell: Yes, we have and we should learn from our experience from all around the world. The evidence suggests that advertising does not have an effect on total consumption whether it is present or not. The trends when legislation has changed have broadly stayed the same. Indeed, the total alcohol market in this country has been flat or declining for years. Our job and the role of our advertising place is to take business off each other. It is a zero sum game. All of our advertising should promote, as Simon said, responsible consumption and it is intended to win market share. As a result Smirnoff only constitutes 3% of the market here in the UK so we see a considerable growth for our brands without any growth in the market. The Loi Evin was introduced in 1991—I know the Committee is aware of that. There was already a decline in the consumption per capita in France prior to the introduction of the Loi Evin and actually that reduction of per capita consumption slowed down post the introduction. I have read a couple of reports recently which suggested that they are concerned in France about the increase in binge drinking. So looking at France particularly you cannot see any correlation of the introduction of further restrictions and the resolution of the issue. If you come back to an example like Italy, a liberal regime across a broad base of regulatory practices and it is just not cool to be drunk. Somebody told me that there is not even a word for hangover in Italian. The society in a deep way has a much greater respect for alcohol than some other European countries, and that is the kind of culture that we need to link in here.

Q783 Chairman: Anything to add on sales and what happens in France, Deborah?

Ms Carter: We have also looked at the French example and I believe that the official evaluation was inconclusive. We also do trade in the Republic of Ireland where they have had a less but some broadcast advertising banned on spirits and our experience in the short term was that we saw no decrease in our sales at all. That is where you have to bring in the other elements of the marketing mix that come into play.

Mr Davies: I cannot comment on any more information specifically with regard to France as that has been covered to the depth of my knowledge. But certainly if I look at the beer market within the UK—and the point was made about advertising earlier—this is a market that has been in decline for a considerable period of time—it has declined about 25% in the last 30 years. During that time the Carling brand, for which I am responsible and which is an advertised brand, has grown share and has grown volume so we have been successful in what we set out to do, which was to improve our competitive position. But the impact of that advertising, beer is

a relatively heavily advertised category in the context of alcohol, has not been to grow that category.
Mr Oak: The only thing I would add, the point has been made about Andy Fennell about the actual law in France and as I understand from the Sheffield Report it said that the link between advertising consumption was inconclusive, so there was no direct link that if you ban advertising you will reduce consumption.

Q784 Chairman: You say that the weight of Sheffield was on pricing?
Mr Oak: My understanding from the Sheffield Report where it was more conclusive was that if you introduced minimum pricing you reduce overall consumption of alcohol; it will not necessarily prevent the misuse of alcohol.

Q785 Charlotte Atkins: The industry always talks about how they want to support responsible drinking but clearly as an industry you benefit from excess drinking because obviously your profits are affected. Have you worked out that if drinkers kept to government drinking guidelines how much you would actually lose in your revenue as companies? Because if you look at the figures in 2007 alcohol sales were high enough to put virtually every British adult over government guideline drinking levels.
Mr Fennell: It is not a calculation that certainly we have done but what I can say is that we want a society where everybody drinks responsibly. Actually a couple of ways of thinking about it, I mentioned Italy where their per capita consumption of alcohol is about the same as the UK—it is a responsible consumption. Perhaps more important for us commercially, our success or failure is determined by the ability to compete effectively with each other because the markets will grow, and in the case of beer, as Simon suggested, it has declined quite markedly and yet for some companies and for some brands there can be success in this market if we are effective in persuading consumers that when they are thinking about an alcoholic drink they should choose our brand instead of somebody else's.

Q786 Charlotte Atkins: You do not have figures in terms of your sales revenue in terms of adults keeping to drinking guidelines, but do you have any idea at all what proportion of your sales is accounted for by binge drinking sessions? Do you have any indication of that?
Mr Fennell: I do not have any data on that.
Mr Davies: Data of that nature would be very difficult to collect.

Q787 Charlotte Atkins: Simon, you have been involved very much with this Project 10, the alcohol industry's response to government pressure to address irresponsible drinking. Does that mean that your company is in favour of minimum pricing?
Mr Davies: Any public position that we have taken previously—and certainly I would reiterate that, so it is not a new position for us to make, we have talked about it over the course of the last 12 to 28 months.

Q788 Charlotte Atkins: So when did you adopt your position of being in favour of minimum pricing?
Mr Davies: It has been primarily based on our experience within the Canadian market. Molson Coors is a business that has a market share in Canada and has specific experience of that. My chief executive worked until the end of 2007 in the Canadian market for three years—he has personal experience of that—and it has been his personal experience that has led us to advance our position with regard to minimum pricing as we have been able to learn more.

Q789 Charlotte Atkins: Could you elaborate or would you have to go to your managing director about the Canadian market because clearly there is not minimum pricing in every part of the Canadian market.
Mr Davies: No, there is not.

Q790 Charlotte Atkins: Are you able to elaborate on that?
Mr Davies: My specific knowledge is to a degree limited and my responsibility is to the UK and we have a greater level of expertise within our organisation. Having said that there are probably some questions I could answer within the depth of my knowledge, but if the Committee would be interested we would be more than happy to follow that up, either through our chief executive or indeed if you wished us to arrange for somebody to travel over from the Canadian market we would be more than happy to do that.

Q791 Charlotte Atkins: We would certainly be interested in looking at your position in relation to your experience in Canada—that would be fantastic. Given that I have raised that issue, I wondered whether other members of the panel would like to indicate their business' position on minimum pricing? Mr Oak, you made it fairly clear that you were not in favour of minimum pricing in terms of the Lambrini brand?
Mr Oak: I believe that minimum pricing will reduce overall consumption but I do not believe that it will prevent the misuse of alcohol. As I say, with particular regard to Lambrini it is very much positioned and sold to everyday hardworking women. Many of those women drink it very responsibly—88% of them drink less than one bottle a month. A lot of those women are on incomes of less than £17,000 a year. And for them it is a lower alcohol alternative; it is 40% less units than a bottle of table wine. I think if you were to create minimum pricing that then put alcohol out of the reach of certain elements of society when they are drinking responsibly it is quite dangerous and you start to make it almost elitist.

Q792 Charlotte Atkins: What about you, Deborah?
Ms Carter: Minimum pricing, if we look very specifically at our business and our brand it would not actually from what has been suggested so far affect our business. WKD especially and RTDs in general are actually very expensive. WKD's cheapest

is 77 pence a unit, which actually is as expensive as Chablis—not that everybody would maybe believe that, but it is. So in terms of minimum pricing from what has been said so far it really would not affect our business.

Q793 Charlotte Atkins: That is not what I asked; I asked if the company was in favour in minimum pricing, not whether it would affect your business.
Ms Carter: We would say that minimum pricing on its own we do not feel would be an appropriate step forward; there would have to be a lot of alcohol education to go with it for it to have any effect.
Mr Fennell: We do not support it simply because we think that we should focus on the mis-users and those vulnerable to misuse and we have not yet seen any evidence to suggest that minimum pricing will tackle the issue at hand.

Q794 Charlotte Atkins: So it is okay to have water being sold at a more expensive price than some of the cheap lagers and ciders in supermarkets?
Mr Fennell: The key issue we face today is how do we tackle the minority of British people who misuse alcohol or who are vulnerable to misusing alcohol? In that context population wide activities I do not think will work.

Q795 Sandra Gidley: A quick point on the Lambrini. If you walk round almost any town it seems to be quite a favourite of underage teenage girls, so would not minimum pricing help reduce that market? You probably do not make an assessment of what teenagers drink because they are not supposed to be drinking.
Mr Oak: We do not support or promote drinking to underage girls. For many of those people that you described that may be drinking alcohol very often that alcohol has been purchased by someone else. I do not believe in that sense that you are talking to the consumer or the purchaser of the alcohol, so price has a different bearing in that instance.

Q796 Sandra Gidley: So who buys teenage girls their alcohol then?
Mr Oak: The people to whom you are referring ultimately are under the legal drinking age and therefore cannot buy alcohol legally, so it is going to be purchased by people of legal drinking age—I do not know who they might be.

Q797 Sandra Gidley: I think there are people who purchase to order.
Mr Oak: We know that that happens in the UK. Society is aware that that happens in the UK and it is something we need to change but the solution to that is not just minimum pricing, it has to be a completely joined-up approach. One of the issues that we have to solve is that we are a heavily regulated industry and one of the key things is actually enforcement of the existing legislation, combined with education and a joined-up approach across government and across schools, across family and across the individual to solve the problem.

Q798 Jim Dowd: Mr Davies, you say that you are in favour. Depending on how minimum pricing were to be introduced, if it was simply saying to companies that they had to charge a minimum amount for this then all it would do is increase profits. Is that what has happened in Canada?
Mr Davies: I think it is very difficult to assess the impact that it could have on it commercially; it would entirely depend on what the pricing would be. In principle Molson Coors would support further investigation of minimum pricing; we believe that it may form part of a solution. As we stand at the moment we do not have a developed view on what that minimum pricing should be and indeed exactly where it should be applied. But from our experience in Canada we have found that it is a market where there appears to be less alcohol abuse than there is in other markets and we are drawing a correlation. We do not yet know the detail of causality.

Q799 Jim Dowd: Was that the case before and if so has that been subsequent to the introduction of minimum unit pricing?
Mr Davies: It is my understanding that it has had some impact but my expertise in that area is probably not to the full satisfaction of this Committee. We can certainly provide people who know more about that market than I do.

Q800 Jim Dowd: Mr Fennell, your objection to minimum unit pricing, representing the largest alcohol purveyor in the country, could it be based on the fact that you believe you can produce alcohol cheaper per unit than anybody else and if there was minimum pricing you would lose a competitive advantage?
Mr Fennell: Our products are not sold at low prices anyway; we only sell premium products, we do not provide own label products. The commercial impact of minimum pricing would probably be neutral. It may be positive, as you suggest, and my comment is more about the effect of minimum pricing on tackling the issues of misuse and the belief I have that we need to focus on the mis-users, the minority that misuse or those that are vulnerable to it.

Q801 Jim Dowd: You alluded to another point that was raised to us last week—and we have the supermarkets coming in later in the inquiry and we will speak to them—and you say that you only deal with own brands. Where as a professional in the business do the big supermarkets—the big four particularly—get their own brand alcohol from, because we have not been able to establish this yet?
Mr Fennell: I confess I do not know.

Q802 Jim Dowd: They do not run their own stills, do they?
Mr Fennell: No, of course they do not. I do not know if the other guys know the answer, but all I know is that Diageo does not produce any own labels.
Mr Davies: I am in the same position; we do not produce own label.

Jim Dowd: So it just appears to drop out of the sky!

Q803 Chairman: The question was posed by Charlotte that if all drinkers kept to the government's drinking guidelines how much sales revenue would you lose? Nobody has an answer to that question at this stage but clearly you do measure how many people drink because obviously you know that you do not measure people under 16 or under 18 who drink. Could you look at this because our evidence is that in 2007 sales were high enough to put virtually every British adult over government guideline drinking levels? If that is the case that is quite a serious issue in terms of society, is it not? Could you look at what effects would be if you units across the board were reduced so that we were not over the guidelines as a nation?
Mr Fennell: We will certainly look at that. It is worth saying that the per capita consumption data, which is widely available, shows that on average the consumption is below guidelines. So that is for the average, which would conflict with the source you were just quoting. But let us do some more work on that.
Chairman: Could you do that because if this is a societal measure that is about right then there are issues around this that we all want to look at.

Q804 Charlotte Atkins: Presumably that figure includes people who do not drink, so we are not talking about an average, we are talking about all British adults. That is not just those people who actually consume alcohol—we are talking about averaging it over all British adults, not just the people who actually drink alcohol.
Mr Fennell: Let us break it down for you.
Ms Carter: There will be different categories—people drink at different times during the week and different occasions. We know from our example that if we sell two bottles of our product to a particular consumer in one night that is as much as we are going to do. So you would have to join up all of the examples because some categories would not see that much of a decline in their volumes but others might. So you would need to piece that altogether.

Q805 Dr Taylor: Let us focus on the misusers, which is absolutely right. We have to focus on the misusers. In your submission you have listed who they are. How do we focus on them? How do we get at them? How do we control them?
Mr Fennell: That is a great question.

Q806 Dr Taylor: Yes. Have you an answer?
Mr Fennell: I will give you a view. It is a complex issue because it is deep in our society. Educational efforts are going to be key because we need to persuade people that misuse of alcohol is not cool in any way. Educational efforts need to start at school age. That could not be conducted by anyone on this panel but we do fund through for example the Drinkaware Trust activity, so education is a big part of it. I also think we should enforce rigorously the high level of regulation that we already have in the UK. The WSTA use some WHO guidelines to assess the level of regulation in every European country and the UK is in the top four and yet we still have the issue. For example, it is illegal to sell alcohol to under aged people, to minors. It is not ambiguous and yet there were only 60 arrests last year for selling alcohol to under aged consumers. We should enforce that more firmly. I wish we could ensure that we give the police the powers to sort out social disorder when it happens immediately and quickly and deal with it. It is a combination of enforcing the regulations that we have, education and ensuring that our code, to which we subscribe, is rigorously employed internally and has the right backstop of independent measures associated with it. In this Committee there have been some suggestions that those backstop powers need to be broadened and brought up to date. I subscribe to that. Our internal codes show no difference between sponsorships, digital or traditional media and we think we should make sure that the external backstops catch up with that.

Q807 Dr Naysmith: Mr Fennell, you have said a couple of times that your job is to pinch trade off each other, especially with there being a declining market, giving the impression that this problem is maybe going away slowly and you are competing for the small amount of trade that is going to be available. If you look at the statistics underneath, it is much more complicated than that because a lot of people who are drinking are drinking more than they used to, which may mean there are fewer people drinking overall if you analyse the statistics to find out, but there is a significant proportion of people who start drinking, as you were implying, for social reasons and so on, because it makes life go a bit better and all that sort of thing. We do not know which proportion of them are going to be the ones who develop a problem when drinking becomes a problem for them. That is really the reason why we are looking at this inquiry. Of course binge drinking is one aspect of it. A much more important aspect is the increase in liver disease and various other diseases associated with over-consumption of alcohol. If we are going to stop this, we have to intervene probably before people start drinking, education for youngsters which you just mentioned, and either teach them to drink responsibly or do not encourage them to start at all. That is the age group probably that we should be focusing on. The question I was going to ask is to do with these new media. Ofcom published research last year which found that almost half, 49%, of 8 to 17 year olds who use the internet have set up their own profile on social networking sites. These are very popular sites. How can you be confident that people under the age of 18 are not able to access or actively contribute content and spread it around, as we heard in the previous session? How are you going to be able to control that? It is really not controlled very well at all by the current regulations. Would it not be much better if we just banned all advertising to young people and any outlet which could reach young people if we could do it?

Mr Fennell: There is quite a lot in the question. The nub of the issue is focusing on the people for whom there is or might be an issue. That does put an emphasis on getting the right mindset in young people's heads before they start drinking. I agree with that.

Q808 Dr Naysmith: Or not encourage them to drink at all?
Mr Fennell: Or indeed encourage them to make a choice about their own lifestyle which may include not drinking at all. I agree with that. There is no safeguard that provides a silver bullet, which is why we come at it from multiple directions. There was a conversation this morning about Gateway pages. For most people, I think they are honest about their age. That is a safeguard but if that was the only one it would be unsatisfactory.

Q809 Dr Naysmith: If you are the ones who are seeking alcohol, you probably will not be honest.
Mr Fennell: Another safeguard is our content requirements. Someone needs to be over 25 and certainly for Diageo the content of materials for the web needs to comply with exactly the same stringent requirements as content for traditional media. Our internal code is very tight in that regard.

Q810 Dr Naysmith: It is very tight but it is quite easy to get round it, we seem to be hearing, in lots of different ways.
Mr Fennell: I do not understand.

Q811 Dr Naysmith: For instance, sometimes when there is a complaint about an advert on television it can take two or three years before it is withdrawn. I know there are emergency procedures but sometimes it takes ages to do it.
Mr Fennell: I did produce something which I hope helps the Committee. It looks complicated until you go with it and maybe I can pass it to you. It is our flow chart which explains our code. What it shows is we have five internal reviews for all media whether it is digital or traditional. We take advantage of pre-clearance where that is available and we comply with ultimate sanction removal if that happens. I am pleased to say that does not happen very often. Diageo's policy would be that if it was non-compliant with one media part of the code it would be with all media, because it is the same code. I do support the broadening of backstop, independent adjudication to ensure that everyone complies with the same set of rules.

Q812 Dr Naysmith: You think that Diageo are now complying in the same way with new media as you would do with other media?
Mr Fennell: Absolutely. I insist on it.

Q813 Dr Naysmith: Is that the same for all of you?
Mr Davies: I will not repeat what Andy has just gone through because the controls and internal processes that Molson Coors run are pretty much exactly the same. If I could take one area which was a topic of quite a material discussion that I was hearing earlier, that was with regard to Gateway and age declaration in terms of sites. Our sites use the same Gateway declarations as other people's and I am sure they are subject to the same challenge of, if you are going to lie, you are going to lie. I would fully accept that, but in common with pretty much all of our marketing activity we also monitor the impact it has. We put the safety markers in place as well as have independent reviews of who is actually on our website. If I were to take the Carling.com website, it is one of the larger alcohol websites within the UK. A C Neilson, the world's largest market research company, monitors website usage in all categories, in all ages. This is not something that we commission specifically. They monitor website usage from age two upwards. The last survey they did which was February 2009 and they fed us back data with regard to the Carling.com website. That was that 98.6 or 98.7% of usage of the Carling.com website was over legal drinking age. Whether it is the result of the Gateway or not, our data shows that under 18s are not using that site.

Q814 Dr Naysmith: I imagine you are using these new media more and more. Is that growing?
Mr Fennell: Yes.

Q815 Dr Naysmith: That is going to be the case in the future?
Mr Fennell: Commensurate with how consumers are changing their behaviour.
Mr Oak: With regard to new media, in terms of advertising and advertising on sites, specifically we only advertise and the rules are that we can only advertise on sites where 75% of the audience is over 18. That is independently verified. For the sites that we have advertised Lambrini on, a minimum of 88% of the consumers are over 18.

Q816 Dr Naysmith: That means 25% are under.
Mr Oak: I accept that point.

Q817 Dr Naysmith: There is always going to be an overlap, is there not?
Mr Oak: Yes.
Mr Fennell: That is why we need multiple safeguards.
Ms Carter: Today we have touched on the challenge that all age related categories have and I do not think this is just the UK. The internet is global. Potentially, somebody could be sat in a living room in America and set up a website in the space of five minutes. That is why we created our own digital code two years ago in the absence of anything else. There has been some good work going forward since then but we would certainly welcome any more help in that area.

Q818 Stephen Hesford: Mr Fennell, in what way does the Diageo code which I have not seen but which has been spoken of considerably this morning differ at all from the CAP codes on advertising for alcohol?
Mr Fennell: It is consistent. The code in the exact form of words is a consistent code for Diageo around the world. The first provision in our code is to make

sure that we comply with local regulation. The form of words and the meaning you can draw from them is consistent on every item.

Q819 Stephen Hesford: Do you subscribe to not only your own internal code, as you described it, but the CAP code on advertising alcohol too?
Mr Fennell: Yes.

Q820 Stephen Hesford: Roughly in its form now, how long has your internal code been in existence?
Mr Fennell: I am not sure exactly but four or five years.

Q821 Stephen Hesford: Therefore, the CAP code and your code deprecate linking drinking with drunkenness?
Mr Fennell: Yes, that is right.

Q822 Stephen Hesford: It deprecates linking advertising alcohol with toughness, bravado, that sort of stuff?
Mr Fennell: That is right.

Q823 Stephen Hesford: That would be completely unacceptable to your company?
Mr Fennell: Yes, that is correct.

Q824 Stephen Hesford: Can I ask you to look at the pack that you have at page 14? Appendix three, drinks manufacturers. That is clearly identified as Diageo.
Mr Fennell: Yes, it is.

Q825 Stephen Hesford: The central theme is potency.
Mr Fennell: That is right.

Q826 Stephen Hesford: Why?
Mr Fennell: Can I explain?

Q827 Stephen Hesford: No. Please bear with me. Answer my question. Why potency?
Mr Fennell: In order to answer the question—

Q828 Stephen Hesford: No. Please, just answer the question. Why potency?
Mr Fennell: I need to explain what it is.

Q829 Stephen Hesford: I know what potency is.
Mr Fennell: This is a document which—

Q830 Stephen Hesford: Please, just answer the question. Why potency?
Mr Fennell: This had no impact on any consumer communication. This was screened at stage one. I handed out the code. At stage one this was rejected as irresponsible. It is irresponsible. It led to no consumer communication. I brought with me the communication that was the campaign that we ultimately used.

Q831 Stephen Hesford: The campaign was the Smirnoff Maxability programme.
Mr Fennell: The communication was a drink called Smirnoff Appleback which is a mix of Smirnoff, apple juice and ginger ale. It is 1.9 units of alcohol, which is less than a pint of standard lager. We train all of our people to have the code front of mind all of the time, agencies and internally. The reason that we have five stages of regime where we filter at every stage and reject things is because we cannot rely on that training. This was an internal discussion document which was rejected at the first stage. It was rightly rejected at the first stage because it is irresponsible.

Q832 Stephen Hesford: Can we just examine what was rejected? We hear what you are saying about it. "Image. Drinking this involves bravado or challenge." You specifically said that Diageo will not go anywhere near that.
Mr Fennell: We have not.

Q833 Stephen Hesford: How did it see the light of day, if that is a core belief?
Mr Fennell: It has not. It was an internal document which was rejected.

Q834 Stephen Hesford: How could this happen if it is an internal, core belief of the last five years?
Mr Fennell: It was rejected at stage one. I had not seen it before the last couple of weeks. I asked when it was rejected and the answer was at the first review.

Q835 Stephen Hesford: "Russianness. Anything from Russia is a bit stronger and more sinister than the rest." How on earth could that see the light of day?
Mr Fennell: It did not. This document is an example of why our code is strong because somebody in their wisdom put this together and it was rejected at stage one, and it should have been rejected at stage one, because it is not compliant with the code.

Q836 Stephen Hesford: "Flavour. More flavour, e.g. PPS." I will not even go into what that is. "Feminine. Challenging flavour, e.g. JD and Co. Masculine." That is not permissible, is it?
Mr Fennell: No, it is not.

Q837 Stephen Hesford: Is there anything in this document which is permissible, just looking at it?
Mr Fennell: This page did not go anywhere. It was rejected at stage one.
Jim Dowd: How were you advisers so poorly informed? This clearly does not accord with any of the priorities you have.

Q838 Stephen Hesford: Who gave them this brief? Which Diageo company gave them this brief?
Mr Fennell: I do not know where this document came from. What I do know is that it was rejected as a thought at stage one on the grounds of it not being compliant with the code. There is no actionable insight that came from it and the consumer communication which ultimately was displayed in bars was a picture of an apple and "Try Appleback." I agree with you that this is a waste of time.

Q839 Stephen Hesford: It is a disgrace. Would you agree that it is a disgrace?
Mr Fennell: It would be—

Q840 Stephen Hesford: Would you agree that it is a disgrace?
Mr Fennell: It would be if it led anywhere. It demonstrates the strength of our code, I am afraid. That is all I can say about it. Someone wasted some time and we rejected it at the first pass. I am disappointed that they wasted their time.

Q841 Stephen Hesford: Can you turn over to page 15, please?
Mr Fennell: It is another example of exactly the same thing.

Q842 Stephen Hesford: Smirnoff is a brand of yours?
Mr Fennell: Yes, it is.

Q843 Stephen Hesford: You would describe it as a premium brand?
Mr Fennell: Yes, I would.

Q844 Stephen Hesford: I think one of your advertisers described why they would not do certain things because they wanted it to be aimed at a certain market with respectability. Would you agree with that?
Mr Fennell: Yes.

Q845 Stephen Hesford: What is described as 3.2, which I presume is some kind of presentation, is, "Pub Man. Gravitates towards his comfort zone from the early part of the evening." Within that it has a piece called "My Mates." One of the mates who is allocated a role is called "Fishcake". Why? Because he drinks like a fish. What is that driving at if Diageo do not like the idea of drunkenness?
Mr Fennell: We do not. This is consumer research. It led to no actionable insight and no consumer activity. I have to say that on the request of the Committee we sent everything in our files, including most of the stuff at the beginning of the process. This is unfiltered research. It led to no actionable insight and no consumer activity. That is what our process is intended to do. It is not helpful. It does reflect what some consumer behaviour is like and that is what we need to change.

Q846 Stephen Hesford: Are you saying that you became social scientists? You had to research the behaviour that you did not like in order to then advertise the behaviour you did like? Is that what you are saying, credibly?
Mr Fennell: The company that did this research is an independent company. They would have gone to talk to men about their drinking behaviour and they came back with, I hope, some insights that were actionable. They also came back with this one which looks like a waste of money to me, because I cannot do anything with it. This reflects the fact that we have a societal issue, a cultural issue, that we need to tackle. No consumer communication at all could have been, would have been or was a result of this.

Q847 Stephen Hesford: Can we go to the slide underneath at 3.8? "What are Pub Man's needs at this point?" Tell me if I have this wrong: am I accurately describing what this document looks like? It has an erect ape man with a pint in his hand. Is that right?
Mr Fennell: Yes.

Q848 Stephen Hesford: It has a slightly more erect person?
Mr Fennell: Yes.

Q849 Stephen Hesford: And then a slightly more erect person and then it describes Alpha male who is flat on his back, which suggests to me drunkenness.
Mr Fennell: It does to me too and that is why it is useless in the pursuit of marketing alcohol.

Q850 Stephen Hesford: Reading from left to right from the ape man, the pub man, I am reading from the slide that we referred to before: "Comfort zone." That is the guy in his own pub. It refers to the mission. What possibly was the mission here? The mission is just under where the guy is slumped out on the floor, drunk. What was the mission?
Mr Fennell: Not surprisingly, I have never seen this because it did not help us. Nothing actionable came from it.

Q851 Stephen Hesford: I can accept it is not helping you.
Mr Fennell: No actionable insights came from it and there was no consumer communication as a result of it. It is an independent researcher's observation drawn from talking to people.

Q852 Stephen Hesford: Why is it branded with Smirnoff if it was just some person somewhere else?
Mr Fennell: It is an internal presentation to the people at Smirnoff.

Q853 Stephen Hesford: Who are you?
Mr Fennell: Who are me, yes, absolutely. This led to no actionable insight. It led to no actionable communication. Our code is strong.

Q854 Stephen Hesford: Do you accept that they breach all the codes absolutely?
Mr Fennell: If somebody used this information to produce consumer communication, it would breach the code. We did not and we would not.

Q855 Stephen Hesford: All you can say is that you spent Diageo shareholders' money on this complete waste of time for no purpose at all?
Mr Fennell: I hope that this research company came up with something that was a bit more useful, because otherwise you are right.

Q856 Stephen Hesford: Mr Davies, Coors is one of—?

Mr Davies: Do you mean Coors like the brand?

Q857 Stephen Hesford: Yes, and Carling. Can I take you to page 16? I know you will say it is a work in progress because it says that there. "Position Statement." Again, you abide I understand by the advertising code?
Mr Davies: Yes.

Q858 Stephen Hesford: Which does not permit bravado and all that sort of stuff. "Down to earth lads who love life in the pack. Carling is the range of lagers that are almost always the most drinkable so when Carling is with them their mates have better times because every Carling lager is brewed to have the most appealing taste, not too fizzy and not too sweet, no matter what the ABV." ABV is dealing with strength, is it not? Can you explain what this is driving at?
Mr Davies: It would appear to be. As you say, this is a work in progress document. It is not something that would have formed a final point. If I can pick out some elements within it, when we talk professionally about groups of our consumers, we talk about cohorts which is jargon. We try to avoid the use of jargon wherever possible. "Life in the pack" was a potential expression of an interpretation of cohort, not one that we use. That is where that would have come from. In terms of drinkability, that is where we do use quite a lot within Molson Coors and I would expect to see that on other documents. What we mean by "drinkability" is relatively light in taste, relatively refreshing and relatively low in alcohol. Carling is 4% ABV which is a relatively low alcohol beer. That is our interpretation of "drinkability" and that is where we use it across the organisation. Why specifically this document refers to ABV explicitly I do not know and I cannot comment on it. It is a piece of work in progress and would not have gone any further because we do not and cannot market ABV as part of our communication. Having said that, that has been a matter of some frustration. We have a Carling brand variant called C2, which is a 2% beer. I personally believe that is a worthwhile thing to be doing. I am actually bound by the same regulations that prevent me from referring to alcoholic strength in the communication of beer. Those regulations apply in exactly the same way to a 2% beer. I would perhaps ask the Committee to consider whether or not, for low alcohol products, perhaps some different approach to regulations might be appropriate.

Q859 Stephen Hesford: You got your advert in. Can you turn over to page 17, please? Reading from the top, given that we know what is impermissible, this is clearly identified as Molson Coors, your company, and it is about Carling. It is branded as Carling. "Owning sociability." One of the no noes is selling, advertising, marketing alcohol as a sociability product, is it not?
Mr Davies: The specific code refers to social success rather than the representation of alcohol on its typical consumption occasions, which are group occasions rather than single occasions. What we must never imply for example is that an individual if he consumes alcohol will be more popular. I would contend that responsible alcohol consumption in a group is one of the more appropriate situations under which alcohol is consumed. Sociability *per se* is not specifically an issue in the code. Implying social success is.

Q860 Stephen Hesford: Is football in simple terms, premiership or whatever, a successful game?
Mr Davies: It is a manifestation of sociability. The majority of investment that we have put into football over the years has been our sponsorship of the premiership and the Carling Cup. Those are competitions that have winners and losers within them so the success is not an explicit part of that. It is an overall cup competition.

Q861 Stephen Hesford: Finally, at the bottom, it says, "In short, Carling can", not may or could or discuss, "position itself as a social glue." That is not permissible, is it?
Mr Davies: I do not believe it would be. This is a document that was produced not by Molson Coors employees. This is one of our smaller suppliers and would have been produced as a piece of provocation.

Q862 Stephen Hesford: A piece of what?
Mr Davies: A piece of stimulus, as a piece of provocation, as a discussion item.

Q863 Stephen Hesford: It is certainly provocative.
Mr Davies: We would have discussed it and rejected it.

Q864 Sandra Gidley: Deborah, you have submitted a lot of documents to the inquiry which we thank you for but it seems from reading through those that the campaigns target groups such as young men that want to be seen by mates as up for it, flexible, popular with mates and girls, sound, witty and funny. Another group is aged 18 to 25, chavs and students. That is interesting. "Enjoy a couple of big nights out a week rather than going to the pub every night", which does not seem entirely responsible to me. A briefing document of yours which we did look at earlier on page 18 for the WKD brands asks at point four, "What do we want our audience to think, feel or do?" There is a comment here. It is market research but it then feeds into where the brand is going. "I tend to drink WKD during a night out as a change of pace when beer is getting a bit much for me. It is something that me and all my mates can drink together." Is there not a bit of a theme here, that the emphasis is on the partying, the binge drinking?
Ms Carter: There are a couple of elements there I would like to pick up. First, on the change of pace. WKD is 1.2 units a bottle and they would see that as their evening starting to wind down. Often RTDs are used when they are starting to think about going home. It might be one of their later drinks of the evening.

Q865 Sandra Gidley: These guys have already realised that beer is too much for them. Is it very socially responsible to then be encouraging them to top up with any alcoholic products?
Ms Carter: When you talk about the beer being too much for them, that might be in the same way that, when I go out as a designated driver, I might have a couple of cokes and think, "I want something different". I think you have to put it in the context that it is not necessarily too much for them in that they have had too much alcohol. Maybe they have been drinking beer and they want something different that might not be as much in volume. A bottle of WKD is 275 millilitres, versus a couple of pints of beer or a bigger bottle of cider. You have to take it in the context of their evening out and the likelihood is it is a signal that their evening is coming to a close. In terms of the binge drinking reference, we know that our product is popular on a Saturday night. Through our marketing communications we certainly would not do anything to communicate binge drinking. Very little of our advertising is in the field of point of consumption. In our current campaign, three of the executions on television are a guy at home with his partner, which we would see as being quite adult and quite away from the point of consumption. We would very much steer away from anything that would promote binge drinking, because that is part of the code.

Q866 Sandra Gidley: It was in fairness raised earlier that this was a few years ago. How would you say your advertising has changed over those years?
Ms Carter: We welcomed the Ofcom regulations. There was a review of the regulations. The bar was raised and we moved with it. I think that is right and proper. It is also a good illustration of how the current framework is working and we should continue to review, challenge and look at what we are doing. The new regulations came in. We stopped and looked at what we were doing and it gave us better clarification than we had previously had about what we could and could not do. We welcomed that process and we have very much moved on.

Q867 Sandra Gidley: Turning to page 19, that is a planning brief from earlier this year. This is again the WKD brand. The importance of advertising and campaigns to communicate maleness and personality. Under the code you are not allowed to use masculinity. What is the difference between masculinity and maleness?
Ms Carter: What you need to understand is that RTD as a category has always been predominantly very female focused in terms of a lot of the brands being targeted at women. We saw that there was an opportunity to bring to market a product that had male appeal. For us, it is not about being overtly female as opposed to overtly male. For example, we would not ever do a promotional link with makeup. That is why we would associate with the Nuts football awards that my colleague spoke about earlier. It is about engaging with our male consumers in things that they are interested in.

Q868 Sandra Gidley: What is the difference between masculinity and maleness?
Ms Carter: You can be involved in areas that males are interested in without overtly saying, "I, WKD, am a male product." To communicate maleness would be the Nuts football awards. Nuts is part of the male press so that is an opportunity for us to talk to male readers. The fact that it is in a male piece of media means that it is not viewed as being overtly female or girlie.

Q869 Sandra Gidley: Why does it not fall into the masculinity category? I am struggling to find the dividing line between maleness and masculinity.
Ms Carter: What we are talking about is that often maleness can be placed into the media. It does not have to be us creatively talking about maleness. It can be the Nuts football awards, using male press. Communicating maleness can be done by using male platforms as opposed to a creative look that says, "I am a male brand."

Q870 Sandra Gidley: Is this not in effect though a brief that says, "Go as far down the maleness route as you can without breaching the masculinity code. Push it a bit"?
Ms Carter: No, not push it a bit at all. We operate within the codes and the codes are there for a reason. We welcome them because they give us a framework to work within.

Q871 Sandra Gidley: Is it not human nature to push against the boundaries?
Ms Carter: Why?

Q872 Sandra Gidley: Surely teenagers do it all the time? Adults do it all the time.
Ms Carter: We have nothing to gain by producing ads that can only be run once because they are in breach of the code. The comment has been made earlier about the timing taken for an ad to be taken down. I would be very disappointed—TV ads and press ads are used more than once—if we were producing ads that, number one, do not fit within the code and, secondly, if we are investing money in areas that will only be able to be used for a very short period of time.

Q873 Sandra Gidley: There is not a shareholder interest in trying to push something to be as edgy as possible?
Ms Carter: Absolutely not. We have nothing to gain.

Q874 Dr Taylor: For my information, I want to establish what Halewood International is. I gather you supply spirits, wines and sparkling drinks for supermarkets?
Mr Oak: Halewood International is a relatively small, privately owned business. We have a market share in the UK of around 0.5% of the total drinks market. We have a turnover after excise of 90 million. We employ around 350 people and we produce and distribute a range of products across all the beers, wines and spirits categories to both the on and the off trade in the UK.

Q875 Dr Taylor: We have already heard that Diageo does not supply the supermarkets, so where do you get it from to supply the supermarkets?
Mr Oak: In terms of? Are you talking about own label?

Q876 Dr Taylor: Spirits.
Mr Oak: We either produce the spirit ourselves or we import the spirit.

Q877 Dr Taylor: You employ BJL?
Mr Oak: Yes.

Q878 Dr Taylor: Do you have anything to do with JWT?
Mr Oak: No. They were no longer involved in the business from early 2008.

Q879 Dr Taylor: The impression I have is that the control of advertising on the TV and in the press is really fairly good but the web seems to be much laxer and seems to escape. Do you actively suggest advertising on the web merely because control is laxer there?
Mr Oak: It is not in our interest to do that. We are not interested in promoting our brands to either an under age audience or an audience that is going to misuse alcohol. We have advertised on the web. We have advertised Lambrini on the web. We have done it on sites where 75% of the audience is over 18. That is the rule that we go by. On the sites where we have advertised Lambrini, 88% of the audience is over 18. We work with the controls and the guidelines that are there. That age verification is independently verified.

Q880 Dr Taylor: Going back to the Lambrini ads which we have mentioned before, it does look as if the ones illustrated on page 21 show people younger than 25. Is that not therefore a breach?
Mr Oak: First of all, this is a website of the "Do the Lambrini" campaign. There are two lots of pictures here. If we take the women in the middle, they were used in the ad for "Do the Lambrini." Throughout the process of creating that ad, we had both the script, pre-cleared by Clearcast, and also all the cast. We had to submit the cast to Clearcast and they were happy that those women both were over 25 and looked over 25. They had to fit both of those criteria.

Q881 Dr Taylor: And the little bit on the left?
Mr Oak: The little bit on the left refers to consumers that have downloaded their version of the "Do the Lambrini" dance which was part of the website. I cannot tell from the one at the top but someone made the point earlier that the one at the bottom was downloaded on 15 June. If that person looks under 18, what should be happening is when they are uploaded there is a vetting process to say, "Do the people uploading look 18?" If not, they should have been taken off. I cannot really tell from the picture.

Q882 Dr Taylor: Because looks are so difficult to judge, do you think this is a pretty useless bit of the code?
Mr Oak: The code says that you must look and be over 25. That is seven years above the legal drinking age. We have submitted the cast to Clearcast and they made their judgment on it. These are people who are judging advertising every single day, so we submitted it to the experts to come back with their view and tell us whether it was appropriate.

Q883 Dr Taylor: Can you turn back to page 20? We raised this before. As you are JWT, I presume you have no responsibility for this?
Mr Oak: This document predates me joining Halewood. Although the reference is not on there, they have clearly used TGI data. The age break that was referred to earlier on which you were talking about is a standard age break that would come from the TGI data. It is not something that we are targeting to do. It is a piece of research mapping out ages, demographics and lifestyle.

Q884 Dr Taylor: That is an age range that is decided by TGI?
Mr Oak: It is a standard age break that has come from a research company, not of our making.

Q885 Dr Taylor: In the previous session we asked about the strap line, "Lambrini girls Just Wanna Have Fun" which apparently is still being used. Are you going to do anything to withdraw that?
Mr Oak: This was mentioned both in the previous session and also in the session last week. I think you said last week it was being used in multiple places, tube trains, bus ends, taxis. I sit here and say that is not the case. I believe you were misinformed last week when you said that. To give you the chronology, in 2007 the Lambrini strap line was felt to be unacceptable for TV and we have not used it on TV since. We have used it on a very limited number of occasions in other media based on the feedback that we have had from other regulatory bodies. Where it currently exists at the moment is on a few company vehicles and on the company website. That company website is the Lambrini.co.uk website which is predominantly a trade website. The ads that are there are there purely as reference and archive material, no more than that. In the last six months there have been fewer than 5,000 visitors to that site to view those ads.

Q886 Dr Taylor: You are confident it is not widely used. I think last week somebody told us it was on the back of Blackpool buses or something.
Mr Oak: No. That is incorrect. It was on the back of a Blackpool tram back in 2006 and it has not been on a tram since then.

Q887 Dr Taylor: You are quite clear that that is not being used?
Mr Oak: The only places it exists are on a few company vehicles and on a trade website, purely as reference and archive material of old advertising for Lambrini. We are not seeking to promote that strap line in TV form at all.

Q888 Dr Taylor: Would you agree with the general feeling that control of TV and press advertisements is much tighter than of internet advertising?
Mr Oak: We have heard today a lot of discussion on things like age verification pages. I sit here and say there is opportunity for that area to be tightened up and improved so that we can all operate within guidelines that we all feel comfortable with. None of us here today wants people below the legal drinking age seeing our marketing campaigns. It is just not in our interest to want that.

Q889 Sandra Gidley: Could you turn to page 24, please? It is the Sidekick brief again. I just wondered if you could explain what the image is all about really.
Mr Oak: This is from a chart in 2005 which again predates me by some time. It is purely setting out an insight into drinking behaviour and a drinking society in the UK. It is in no way suggesting that we condone this or have marketed our product off the back of it. I think it is also important at this point to give you some context around the Sidekick brand. Sidekick was first produced as a pre-packaged shot by HP Bulmer and we purchased it from them in 2003. At the time, the backdrop, the social climate and the regulations were very different to what they are now. Since then, we have done very little marketing on the brand, very little to focus on the brand. In the last four years, 2005 to 2008, it received £2,500 of advertising, which is nothing in the scheme of things. In 2008, in recognition that the brand was becoming increasingly unacceptable in its current form, we did two things. One, we moved it into a 500 millilitre bottle which has 7.25 units in it and works out at 80 pence a unit. The second thing we did was we reduced the ABV by 30% from 22% down to 14.5%. At the back end of 2008 we worked with BJL, as was mentioned earlier, about repositioning the brand, very much looking to position it in terms of the way you could drink the brand and a number of uses, so either over ice as a mixer or as a long drink, or an addition to a cocktail. Currently 84% of our sales are in the 500 millilitre bottle and the shot sales that we do have are declining by 20%. We are not actively promoting them at all.

Q890 Jim Dowd: Mr Fennell, you were talking about a 2% beer?
Mr Fennell: That is correct.

Q891 Jim Dowd: It occurs to me simply as a lay person that there is a trend in the industry to bring in lower strength beers of late. Am I correct that if it has less than 2% it is not classed as an alcoholic drink at all? It is classed as a soft drink.
Mr Davies: I may not be 100% correct on this but I believe that classification starts at 1.2%. It is a lot less than 2%. We have found that beer at that alcoholic strength really struggles to deliver on the product qualities. It is just not a good enough beer at 2%.

Q892 Jim Dowd: Why do low alcohol or alcohol free beers taste so bloody awful?
Mr Davies: I am afraid you would have to ask a technical person that.

Q893 Jim Dowd: Is Kaliber one of your brands? It used to be a Guinness brand.
Mr Fennell: It is.

Q894 Jim Dowd: That is the worst of the lot. Have you any idea why?
Mr Fennell: Thank you. Having some alcohol in the beer is part of what gives it its body. For a really good answer, we could send something in from one of our technical people.

Q895 Jim Dowd: As long as it is not a bottle of Kaliber.
Mr Fennell: I think the technology is starting to improve at around 2% to 3%. Both Molson Coors and Diageo are now experimenting with beer brands at that sort of ABV level. They have been slow to start but we are committed to keep trying at them and give an alternative which tastes nice but is a real alternative at lower alcohol levels.

Q896 Jim Dowd: I mention it because obviously if people are to move away from alcohol and the alternatives are just unpalatable clearly it is going to make it more difficult, is it not? I am not quite sure how much effort commercially you would put into redressing that.
Mr Fennell: We have put quite a lot of effort into the design of the beers. Getting the beer right is the first challenge. We are experimenting, doing test marketing in the outlets and we are tracking the C2 tests as well. My hope is that we can find a way of getting people really into those. So far, we have not been that successful, to be honest.
Mr Davies: C2 is a project I started personally about 10 years ago. The final recipe that we went to market with I think was recipe number 285. It did take quite a long time to get there.

Q897 Jim Dowd: Did you test it all yourself?
Mr Davies: No, I did not. We have to date invested more than £20 million in this project. I have a personal belief in it. I think it is the right thing to do.
Chairman: Could I thank all of you very much indeed for coming along and helping us with this inquiry.

Thursday 16 July 2009

Members present

Mr Kevin Barron, in the Chair

Charlotte Atkins	Dr Doug Naysmith
Jim Dowd	Mr Lee Scott
Sandra Gidley	Dr Howard Stoate
Stephen Hesford	Dr Richard Taylor

Witnesses: **Mr Alan Campbell MP**, Parliamentary Under-Secretary of State for Crime Reduction, and **Mr Mark Cooper**, Deputy Head, Alcohol Strategy Unit, Home Office; **Mr Gerry Sutcliffe MP**, Minister for Sport; and **Mr Andrew Cunningham**, Deputy Director, Head of Leisure, Department for Culture, Media and Sport, gave evidence.

Q898 Chairman: Good morning. Thank you for coming to our sixth evidence session in relation to our inquiry into alcohol. For the record, could you introduce yourselves?
Mr Cooper: Mark Cooper, Alcohol Strategy Unit at the Home Office.
Mr Campbell: Alan Campbell, Minister for Crime Reduction.
Mr Sutcliffe: Gerry Sutcliffe, Licensing Minister, Sports Minister and Gambling Minister.
Mr Cunningham: Andrew Cunningham, Head of Leisure at DCMS.

Q899 Chairman: I have questions for both ministers at this stage. Why has the 2003 Licensing Act not led to the "café society" as suggested at the time?
Mr Sutcliffe: It was never stated by the Government that we wanted to create a café culture. What was said was that we wanted flexibility in the Licensing Act to meet the public need. The examples that were given at the time were of people who perhaps went to the theatre and would want to go for a drink after the theatre but had to rush that in terms of the then closing hours. In fact, the Licensing Act has meant only an extra 20 minutes on average to the length of the day; only 1% of premises have 24-hour licences and most of those are hotels. It is true that some pubs stay open late on a Friday for an extra hour. We think in general terms that the Licensing Act has worked very well. It gives that flexibility, stops the loading up at 11 o'clock that there used to be in the past when people drank a great deal at that time because they knew closing time was upon them. We think we have made the spread. We are certainly aware that there are issues up and down the country about the interpretation and implementation of the Act but in general terms we think the Act has helped the situation and not made it worse.
Mr Campbell: As Gerry has said, some of the things that people associated with what might have been described at the time as a café culture have not come about. There are relatively few 24-hour licences. The average amount of extra time on licences is very limited. We are obviously more concerned with the impact that it has had on crime and disorder that might have been alcohol-fuelled. I very much agree with Chief Constable Mike Craig who leads for ACPO on this that the effect of the Act in those terms has been largely neutral.
Mr Sutcliffe: One thing to add is that the beacon councils' status has helped with the night-time economy and it has helped us look at good practice and being able to share good practice with other authorities where there are problems. In fact there was a joint Home Office/DCMS seminar over a year ago when we brought together all these different players and stakeholders to look at what we could do to make sure that good practice went right through the various licensing authorities.
Mr Campbell: I know you are not responsible for Scotland but why is it that in Scotland in the Licensing Act "protecting and improving public health" is one of the five objectives, but not for England and Wales?
Mr Sutcliffe: That is one of the beauties of devolution that the Scots, in deciding on the make-up of their particular problems relating to drink, felt that health had to be an objective.

Q900 Chairman: Do we not think that health is an objective in licensing?
Mr Sutcliffe: It is an interesting concept in the sense of how it could apply to the Licensing Act when the Licensing Act looks at premises and problems around drinking occur with home drinking, for instance, and drinking in other places. Whilst we are not unsympathetic to it and perhaps it is something to look at, I think it would be interesting to hear what the committee's views would be about how effective it would be to have it as lasting condition. The principal objectives of the Licensing Act are to prevent crime and disorder, to stop public nuisance, to protect children and public safety. We think that those objectives combined meet perhaps some of the health objectives as well. I would like to preface all the things that we are going to talk about today with this. We recognise that there is a problem in term so binge drinking within the country. Certainly, as the Licensing Minister, I am concerned that the Licensing Act is sometimes used as a scapegoat for those problems. The reality is that the change in the Licensing Act, which gives more power to the police forces and to local authorities, has given us an opportunity to deal with problem premises. I do not think that the Licensing Act should be seen in isolation and certainly should not be seen as the only tool to be able to deal with the problems of the drinking culture that we have.

Q901 Chairman: Under the 2003 Act, by and large, providing you are a fine, upstanding citizen with no record, when you apply for a licence, you are likely to get it under the circumstances. So when you talk about local control, local control is not very local in that respect. Could I ask you about this phrase that I have picked up since being on this committee: limiting the number of vertical drinking establishments in our towns and cities. These are pubs that used to have what we would call tables and chairs in them. Those have been removed now so that by volume you can get more people into them. They are establishments where you are likely to consume more alcohol than if you had gone into a drinking establishment 20 years ago. In fact many of them are the same drinking establishments. Should we not have something in the Licensing Act that gives power at local level to control these types of establishments?
Mr Sutcliffe: Within the Act we have some things like dealing with irresponsible promotions and we have the opportunity for licences to be reviewed when the objectives of the Act are not being maintained. So there are opportunities for local decision making to review the licences when we think problems are occurring. I was out recently with a local force in Bradford and we met with various licensees. The police felt that they had the powers to be able to say to a licensee if he was not playing the game, if he had irresponsible promotions, if he was doing think that led to a binge drinking culture, then his licence could be reviewed. Obviously the objectives of the Act give the police opportunities and powers to remove licences.

Q902 Chairman: Are many reviewed?
Mr Campbell: I think there is an issue around the interpretation of the powers that are available. There is an exercise that the Home Office certainly is engaged in to make sure that front-line practitioners are aware of how best to use the powers that are available in the Act. There is also an issue around how the public are aware of the powers that are available in the Act and what their entitlement to that is. I also think it is about licensing committees stepping up to the plate too and using the powers that are available in that. There is a wider issue, however, around vertical drinking establishments and indeed promotions, which we are seeking to address through the Police and Crime Bill. Even after the Licensing Act has come in and after the review, there are still some practices that the public frown upon and find unacceptable—things like, for example, "drink all you can for £10"—where the purpose is not to encourage responsible drinking but to encourage people to go beyond responsible drinking and at that point lose control of their faculties and get themselves into trouble, or indeed get into trouble with other people. That is why we are bringing forward in the Police and Crime Bill not just new powers that are available for local licensing committees but mandatory conditions that will apply everywhere to get rid of some of the worst practices.

Q903 Dr Naysmith: Following up on what has just been said, given that it is illegal to serve a drunk person in a pub, why is it that the number of prosecutions is so pitifully low?
Mr Campbell: There are some prosecutions.

Q904 Dr Naysmith: It is a tiny number.
Mr Campbell: It is a small number and there is again a relatively small number of on-the-spot fines where you give a penalty notice. I accept that is relatively small. The simple answer to your question is that it is quite a difficult offence to enforce because the offence is about knowingly selling to someone who is intoxicated. Unless there is a police officer and a huge commitment by the police in an area to see this happen, it is quite difficult to enforce that. There are two other aspects to it which I think would take us further. One is about better training for bar staff to know when to stop serving someone, the signs to see and also the way in which they might go about that. That is very important. The second point of course is to work with licensees in a particular area, often through something like Pub Watch, where there are some very good schemes of pub watching practice where licensees actually agree to enforce standards. That would include not only what happens in their establishment but talking between establishments too about what happens if there is group of people who are drink.

Q905 Dr Naysmith: How much of this has begun to happen? You say that it is beginning to happen. How many training courses have been set up?
Mr Campbell: It is happening.

Q906 Dr Naysmith: Is it happening widely?
Mr Campbell: It is happening widely. We tend to concentrate on the worst-affected areas in terms of the courses which are run in each of the regions, in each of the localities, making sure that that message gets through to the front line because of course that is where the decision is going to have to be made.

Q907 Dr Naysmith: There is one other question in this area. You say it is difficult to get prosecutions and it probably is quite difficult to get prosecutions, but it probably could be done with surveillance and undercover work. Some people suggest that the police are more interested in controlling the order in the streets outside than making sure the law is enforced inside the pub. That would relate back to what Gerry Sutcliffe was saying earlier that it is the responsibility in England not to look at the health of the population but to control what is happening in terms of crime and disorder. People are drinking to excess who are not necessary getting involved in the drinking disorder bit, and that health aspect is quite important too. So both of these things would require more surveillance and more promotion.
Mr Sutcliffe: Within the powers of the Act, there is a number of reviews and I think over 1000 reviews have been carried out. The police and the responsible authorities like Trading Standards and LACos, have the opportunity to review what his going on with within premises. I think part of the problem could

obviously be, as colleagues will know, that 50 pubs a week are closing and the pubs are left to work in a difficult economic climate. There are issues about that and that is why I think it is more important for the responsible authorities to make sure they use the powers of the Act that are there to stop these irresponsible campaigns, to stop the nonsense that takes place.

Q908 Sandra Gidley: To Alan Campbell, what percentage of violent crime is alcohol related?
Mr Campbell: When we asked the question through the British Crime Survey, which has been going for some time now, of victims of crime whether or not they believe that alcohol was involved, the latest figure for last year is 45%; that is only slightly down on the previous figure. It is quite difficult to get a clear handle on the effect of alcohol on recorded crime because of course the crime might be recorded as something else and the alcohol might have fuelled it. I am busy working with officials to see if we can drill down to get a better hold on that. The best measure that we have is the British Crime Survey.

Q909 Sandra Gidley: There is no tick box on the police form to say drink, drugs or whatever?
Mr Campbell: It may well be but it would not necessarily be recorded in that way. If someone is involved in an assault and they are charged with the assault, then it would not necessarily be recorded in that way. The most reliable way that we have of measuring this over time is through the British Crime Survey, which is a survey but it is a well thought of and very well carried out survey that allows us to measure over a period of time.

Q910 Sandra Gidley: Are there any better statistics so that we can understand the number of prisoners who are in prison because of alcohol-related crime?
Mr Campbell: We may get a better idea when we look at the effects of the alcohol referral pilots which are currently running whereby someone who is bought in to a police station, having been involved in trouble where alcohol has been involved, is given the option of facing up to the consequences of that by addressing their alcohol problem. We have some pilots running I think in nine areas now and it might be a better indicator to see from that how many people where alcohol is a problem are coming in to police stations and of course, if that is the case, then addressing the alcohol as well as addressing the criminality.

Q911 Sandra Gidley: You do not know how many people are in prison because of alcohol?
Mr Campbell: I do not have that figure to hand. I can try to find it for you. These people are probably in prison because they have committed a crime and alcohol as part of that. They may be having their alcohol problem addressed in prison but they would not necessarily be either recorded or imprison because of the alcohol bit; it is what they have done when they have been fuelled up by alcohol.

Q912 Sandra Gidley: It is the same recording problem. You do not know?
Mr Campbell: Yes.

Q913 Sandra Gidley: You have mentioned these referral schemes. Is this the scheme whereby somebody who has an alcohol-related crime is put on some sort of course?
Mr Campbell: It could be. What will happen is that someone will be put in a custody suite; certain individuals will be highlighted as probably having been brought in during the night before, the worse for wear with drink; that may have been from a fight or they may have got themselves into trouble. If they wish to engage in this, somebody in the custody suite will go through with them the nature of the problem, talk through how they got themselves into that situation, how the drink is affecting their life and, as a kind of gateway, get them to face up to the consequences. I have seen this working in Middlesbrough where some people do not particularly want to engage but others that do are quite surprised that anyone is seeking to address that part of their life and are quite relieved, because of course it is perhaps showing itself on the streets of Middlesbrough on a Friday or Saturday night but it is impacting on the rest of their life too. We are looking at the referral pilots. We will be doing a thorough review of them but the intention is to roll them out nationally and also to have referrals for young people.

Q914 Sandra Gidley: We do not yet know what impact that is having because they are still pilots?
Mr Campbell: No, but I would say, from the evidence I have seen, that I think they are having a positive impact. They are certainly worthwhile, from the evidence that I have seen.

Q915 Sandra Gidley: Have they been tried elsewhere in the world?
Mr Campbell: Not that I know of.

Q916 Sandra Gidley: This question is to both ministers. One of the problems we have been told about is that young people will pre-load or pre-lash, so that they will go out and get the cheap booze and then go out for the evening. How do you plan to address this problem?
Mr Sutcliffe: That is a very important part of the jigsaw really in terms of what happens because the Licensing Act and some of the licensees are discredited because they refuse entry to people that are pre-loaded. We think these are issues of the on-trade and the off-trade, issues around pricing, which are being taken care of by the wider government strategy and looking at alcohol harm and what we can do to address this. Therefore, the industry has launched a campaign about binge drinking and the effects of binge drinking. We have had the health campaigns relating to the number of units that people should be looking at and not exceeding. I believe it is an educational process to try to get young people to understand the impact of binge drinking on them. We are looking at what is taking

place in Scotland, for instance. Minimum pricing is not something that we have looked at in any great detail or felt the need for here, but we are looking at all the aspects as to why people want to pre-load before they go into town on a Friday or Saturday night.

Q917 Sandra Gidley: Finally, most of the evidence we have seen is that education is fairly ineffective. Is there anything other than that we can do?
Mr Campbell: Let me put on the record that I think alcohol-related disorder is a problem for the on-trade and the off-trade that they need to address. I know there is an issue around supermarkets and the price at which drink is sold compared to the on-trade and what has become known as pre-loading. It is part of the consultation that we are currently carrying out, which will close at the beginning of next month, about the code which we intend to bring in as part of the Police and Crime Bill. We are currently looking at proposals which could be imposed locally, if licensing committees decided to do that, around the quantity of drink that might be sold in a supermarket with the intention of discounting that in order to get people to buy more. For example, if you discounted 24 cans of lager hugely in order to get people to buy that, then the intention could well be that you were encouraging them to drink more and go beyond responsible drinking. I think that is a very interesting approach and I am interested to see what the public have to say about that, but of course it is with the proviso on all the issues around pricing that we do not want to penalise responsible drinkers who might go to a supermarket on a Friday night and buy three bottles of wine for £10.

Q918 Sandra Gidley: Alcohol has never been so cheap. I think the get-out is always "we do not want to penalise responsible drinkers".
Mr Campbell: With respect, I do not think it is a get-out at all. I think it is a genuine issue because the culture of drinking has altered. I think fewer people clearly are going to pubs; more wine is being consumed; it is probably being bought in supermarkets. People's drinking habits are changing and we do not want to penalise people who go home, enjoy a reasonably priced bottle of wine and do not cause any trouble at all. I think that is a different issue from someone who goes into a supermarket, is allowed to buy two crates of extraordinarily cheap lager, drinks it, goes out, tries to buy more in a pub and get into a fight. I think the two are separate.

Q919 Jim Dowd: Briefly, Alan, on that, if I understood you correctly, what you are saying is that what is recorded is an offence, which may or may not have been influenced by alcohol. The fact that it may or may not have been is not recorded. How would you react to a statement saying that alcohol-related violent crime has fallen by one-third since 1997? Is that demonstrable?
Mr Campbell: Some crime may well be recorded as to do with alcohol, but I took the question as how much of crime in general is fuelled by alcohol. The point I am making is that it is difficult to say because we use two measures for crime: we use the British Crime Survey, which is a survey as its name suggests, but we also use recorded crime. I will look into this, but it could well be that those figures have actually come from the British Crime Survey.

Q920 Jim Dowd: So you the claim that alcohol-related violent crime has fallen by one-third could stand up?
Mr Campbell: Yes. We would claim in a number of areas of crime the figures have fallen quite dramatically over the last few years, not just those that are alcohol-related. The evidence for that partly comes from the British Crime Survey and partly from recorded crime.
Jim Dowd: That is just as well because your boss made that claim this morning.

Q921 Dr Taylor: Alan, before I come on to ask you about the effectiveness of the Social Responsibility Code, can I just share with you some figures we have been given from the WHO? These are under 65 EU death rates from major diseases, taking 1980 as 100%. Across the EU, death rates from liver disease have fallen to about 60%. If you compare that with what has happened in the UK, instead of falling, liver death rates have risen by about 280%. That is why we are desperately concerned about this. The Social Responsibility Code came out I think in 2005. We really have the impression that lots of the voluntary controls and guidelines are actually being flouted and that this voluntary system is ineffective. Again, if you look at the rate of alcohol-related hospital admissions—and this came out in 2005—they have increased even more steeply since then. What can you do to make this more effective if the KPMG report authoritatively feels that the system is ineffective?
Mr Campbell: Yes, it does, and not only did it say that the voluntary code was not working as had been planned, but more disappointingly it found that a lot of people involved in the industry did not know that there was a code in the first place and therefore, not surprisingly, it was not having the right effect. I accept the point that you are making about the cost to health but of course you can then add to that the cost of policing and of the effects of crime and disorder. If you are looking at somewhere in the range of £13 billion a year cost from alcohol-related problems, then it is a huge amount of money and suggests that we need more than a voluntary code. What we are doing, of course, is moving beyond a voluntary code because sections of the industry will not face up to their responsibilities as the code has suggested that they should. That is why we are moving to a mandatory code under the Police and Crime Bill to get rid of some of the worst promotions, but also to introduce some local licensing arrangements that can be applied to groups of premises in an area where there is still a persistent problem. We are moving beyond the voluntary to the mandatory. It is a contentious subject, I understand. Some people believe it is disproportionate, but what

is happening in some town centres and what some people involved in the industry persist in doing is unacceptable.

Q922 Dr Taylor: Do you think a mandatory code will somehow be enforceable?
Mr Campbell: It will be enforceable because they will be breaking the law and they will be breaking their licensing conditions; so it will be enforceable. To be honest, we have worked very closely with the industry on this. When they see the mandatory code, I think most people will accept that things like "drink all you can" promotions or the dentist's chair, which I understand is where you sit in a chair in some clubs and alcohol is poured directly into your mouth, missing out the bit with the glass and the measure in the first place, are entirely unacceptable practices and people accept that. That is why I think the mandatory code will be widely welcomed.

Q923 Dr Taylor: We have been told about schemes in Canterbury and St Neots which are aimed at reducing alcohol misuse by the young. Have you learned anything from these scheme? If they were voluntary and really could work, that would be terrific.
Mr Campbell: Yes, we have and we clearly look at these schemes and try to learn lessons from them. Unfortunately, as your previous question suggested, it is not consistent across the piece. We are very much in favour of local solutions to local problems because although there may be common factors across city and town centres, in fact in localities there are often quite different aspects to the problem too. We would encourage local partnership working. The St Neots' scheme, for example, is very interesting, but, in saying that, I do believe that we have to have a robust framework of enforcement. We have to have legislation and we have to have the police there in order to enforce that because, quite simply, if what is happening in some town centres is unacceptable, then people need to be pushed further. Legislation can have that effect. We do not have any alcohol disorder zones yet but we have alcohol disorder zones as a power, which is available. I can tell you that in a number of town and city centres where there has been reluctance to address this problem, threatening an alcohol disorder zone, which will put conditions on a particular area on licensed premises but interestingly charge them for things like extra police in that area, focuses attention; it focuses minds. So, yes to voluntary but let us make sure that we back it up if necessary with a stick.
Mr Sutcliffe: May I say, though, that I think you are quite right to point out the health costs and the damage alcohol, can cause if it is dealt with irresponsibly, but we do have to remember proportionality here; we do have to remember to concentrate on where the real problems are. If the problems are in the culture of young people, then the solution should be around how we deal with young people. What I am worried about, from the industry perspective as the department that sponsors the industry—and I said earlier that over 50 pubs a week are closing—is that that controlled sector is reducing. I think it would be disproportionate just to aim the legislation at the on-trade; we do need to look at the off-trade where the Licensing Act does have powers to restrict what goes on in the off-trade if free-loading is the issue. We have to be careful that we focus on what the real problems are rather than having a general approach that damages those sectors of the industry that are trying to do the right thing.

Q924 Dr Taylor: When will we hear about the mandatory code?
Mr Campbell: It is out for consultation and the consultation closes on 5 August, but of course the Home Secretary will have the power to bring in the mandatory code as part of the Policing and Crime Bill.

Q925 Chairman: Minister, could I take up the point of 50 pubs a week closing? Is it not true to say that some of those pubs will re-open because quite a lot of them are run by these pub companies now? My local just down the road was closed but it has re-opened. It is a little bit fictitious to say that pubs are closing at the level that they are if they are re-opening. There are issues about people trying to manage on what I am told are very awkward contracts; they have to sell X amount of money in beer per week and things like that. All the pubs would have closed by now if the closure rate was 50 pubs per week, would they not?
Mr Sutcliffe: It is quite a serious problem. I have sympathies with the point you raise. In fact the DCMS select committee made reference to this, as did the Business and Enterprise select committee, and ministers are considering the issue of the relationship of the tie. It is a contributory factor to what goes on in licensed premises and I think it is a key issue affecting the industry, but perhaps separate from our discussions today. The figures have gone up dramatically; it was 30 pubs a week and it now up to 50. That is a contributory factor but there are other issues around as well.

Q926 Chairman: Are those your department's figures or somebody else's figures?
Mr Sutcliffe: It is a mixture of industry figures and figures from within the department.

Q927 Chairman: If a pub closed temporarily, would the licence go and therefore would the licence have to be reapplied for?
Mr Sutcliffe: As I understand it, the licence has to be reapplied for.

Q928 Chairman: Would we be able to get to know exactly what this figure is about how many pubs per week are closing? I am a bit confused about the whole debate.
Mr Cunningham: As we understand it, the figure is a net figure. It takes account of pubs opening as well as pubs closing, and so it is a net figure. It is approximately 1200 jobs a week. People First, which is the Sector Skills Council for the hospitably industry, gives that figure as part of their number of

job losses within the industry. The figure will partly be derived from the industry itself and consultants. Essentially, it is a growing figure. On the question of whether it changes as we come out of an economic downturn, yes, it is perfectly possible that places will go.

Chairman: We would appreciate it if you could you share with us how you come to these calculations within the department.

Q929 Dr Naysmith: Could I follow up the area that we are in now with pubs closing? Actually, although pubs are closing. a lot of the trade is being transferred to supermarkets and people are still drinking. All the statistics suggest that a large proportion of the profits of drink manufacturers come from people who exceed and are abusing alcohol and drinking beyond what is the recommended limit. What we should really be concentrating on, particularly here since we are in the Health Select Committee, are the health effects and the fact that many of these people are drinking a lot. You say that we have to be careful because pubs are closing and we do not want to penalise people who only drink moderately. In fact there is a huge health problem that is getting worse and the drinks industry is certainly contributing to that. I do not want the focus to shift to "can we keep more pubs open" because that may be a good thing but we are hear to talk about the health of the population.

Mr Sutcliffe: I understand that and I am certainly not minimising the problem. I am saying that there needs to be proportionality and an identification of what the problem is. If that is the issue with people getting drink from supermarkets, then that is what we need to deal with but not to use the Licensing Act or other legislation in a disproportionate way that affects the sectors that are trying to be responsible and to deal with the issue in a proper way. Things like community pubs, for instance, are key parts of our communities and I believe should be supported. They act in a very responsible way. They do support the sporting clubs that exist and have a high impact on our community. I agree with you and that is why I keep going back to proportionality and what the issue is. If the issue is about young people, if the issue is about people getting alcohol from supermarkets at a cheap price, then that is what we should be dealing with.

Q930 Dr Naysmith: Finally, it is not just young people who are getting cheap alcohol under age at supermarkets. The population is shifting its drinking habits and buying crates of alcohol and taking it home and drinking it.

Mr Sutcliffe: That is what Alan referred to earlier in terms of young people deciding to drink wine at home as opposed to going down to the pub and things like that. We accept that there are problems there, but for me, and that is why I think it is right the Government looks across the range at all of its various levers to be able to deal with the specific problems, I slightly worry. I take your point that the health of the nation is vitally important, for all the reasons we know and not just individual personal health but the costs to the nation, but we have to make sure, I believe, and, dare I say it and I have said this elsewhere, that health took a particular view about tobacco and health has taken a particular view about drinking, and that is quite right, but there has to be a balance somewhere. There are cultural issues as well in relation to how this nation deals with alcohol in terms of those people who do act in a responsible way.

Q931 Jim Dowd: Gerry, you have just touched on that very point and the question of pub closures is a health issue. The trade itself, as I am sure you are aware, contend very strongly that part of the reason for the acceleration of the closure rate has been the smoking ban. Does DCMS share that view or does any other part of Government share that view, of which you are aware?

Mr Sutcliffe: From our perspective, we have supported the smoking ban. I even voted for the smoking ban. We think it is the right thing to do.

Q932 Jim Dowd: That was not the question.

Mr Sutcliffe: There is always a tension. We have seen an increase in the number of people attending pubs because there is more food in pubs and because people feel there is a cleaner environment. I believe that it was the right thing to do and support it.

Q933 Jim Dowd: But the industry contends it is a contributory factor in the accelerating rate of pub closures. Does the Government share that or not, and not whether it is the right thing to do?

Mr Sutcliffe: We do not. We believe that there are alternatives and we see the sector of the industry coming up with alternatives that show growth in particular areas.

Q934 Dr Stoate: Gerry, you argued very strongly a minute ago for proportionality, and I entirely agree with that. We should not do anything to damage the vast majority of people who just enjoy occasional drinks without getting into any trouble whatsoever. I entirely agree with that. I would like to come on to the much more difficult area of advertising and promotion. It could be argued, and has been, that alcohol advertising significantly affects particularly younger drinkers and there is good evidence that we have seen that encourages younger people to drink more. The BMA and others have told us they think there should be an outright ban on advertising because the sensible drinkers are not going to be swayed by advertising anyway. Someone who just likes a bottle of wine at the weekend is not going to be influenced much by advertising. What is the Government's view on alcohol advertising?

Mr Sutcliffe: We have looked at this consistently and there have been a number of reviews. There was the Sheffield Review and I think it was in 2007 Ofcom and the Advertising Standards Authority published research on the effectiveness of advertising rules and the changes that were made in 2005. This showed that children and young adults were being exposed

to less alcohol advertising on television and they saw a significant decline in the proportion of young people saying that they feel alcohol adverts are aimed at them. I think this is something that we continue to keep under review. We talked about the voluntary code earlier; we looked at the 9 o'clock watershed. It is something that is under review constantly because we need to be sure of the evidence available. There is also an issue, perhaps speaking as the Sports Minister, relating to sponsorship of teams and sporting events by alcohol companies. There have been voluntary improvements. For instance, the Premier League now will not manufacture shirts for young people that carry a drinks advert on the shirt.

Q935 Dr Stoate: That is not really much of an answer, with respect. I asked you whether the Government agrees there should be a ban as the BMA wanted. We heard last week that, yes, there has been a reduction in television advertising but they have just simply moved to what is called the new media: through viral marketing, through emails, through websites, which is now taking off exponentially. We have heard there is a huge growth in that. In our view, that is just advertising by another method. To say that advertising to young people has gone down is simply not borne out by the facts. We want to know what the Government is doing about controlling advertising, particularly to young people.
Mr Sutcliffe: I accept the new media that there and that technology will develop even further in the years to come. DCMS have been looking at *Digital Britain* and what is likely to happen. As a government, we have continued to encourage voluntary codes. We do not feel that there is at this stage the need to go further but it is something we keep under review and we will obviously reflect on what this committee and others have to say to us.

Q936 Dr Stoate: For example, you would not agree with the 9 o'clock watershed for this advertising?
Mr Sutcliffe: That has been looked at in the various reviews that have taken place. On the evidence put to us, we do not feel that the 9 o'clock watershed has been proven.

Q937 Dr Stoate: You mention that football clubs are removing advertising on their strips for children. Nevertheless, some clubs continue to advertise alcohol on their main strips, so it is seen just as much by young people as it is by older people. You are not prepared to do anything about that?
Mr Sutcliffe: We are saying that young people themselves tell us that they are not influenced by advertising of alcohol in the way that perhaps other things have been. All I am saying is that we will keep that under review in government across the various departments that are looking at the problems of alcohol. To be candid, if you look at what has happened to children's TV—ITV in particular—with the loss of advertising, we are concerned that we have proportionality and balance in place. If the evidence proves that advertising is causing a problem, then we have to respond to that. The evidence is not showing that. The reviews that are taking place are consistent reviews in 2005, 2007 and so it is high on the agenda.

Q938 Dr Stoate: Yet if a British club goes to France, for example, they have to remove the advertising of alcohol off their strip? The French clearly believe that removing sponsorship has had an effect and they have evidence to prove it.
Mr Sutcliffe: We are happy to share in that evidence. We will look at evidence put to us and if that evidence is compelling, then we would act.

Q939 Chairman: Minister, are you familiar with the restrictive codes on advertising alcohol?
Mr Sutcliffe: The restrictive codes?

Q940 Chairman: I do not have them in front of me. One of the codes that people are supposed to use states that we should not associate alcohol with sporting success. Why would somebody sponsor a shirt of a Premier League football team if it was not to show that their product, no matter what it is, is concerned with the success of the football team as opposed to Bradford City, I suppose, or Rotherham United? Why would anybody sponsor a team in the football premiership if it was not to relate to sporting success, given that is where the shirt sponsorship is?
Mr Sutcliffe: I accept that they want to advertise their product. Is the next step then to say to Premiership League teams that they cannot have shirt sponsorship? Are we trying to affect the ability of clubs to bring in sponsorship? I think you have to be careful here. I take Howard's point that if the evidence overwhelmingly proves a situation, then the Government ahs to act, but again we have to have the evidence that proves that. My consistent phrase today is proportionality and making sure that we do the right thing.

Q941 Chairman: But we have evidence on tobacco and advertising was banned throughout the United Kingdom. Has it worked?
Mr Sutcliffe: That evidence was clear and it was clear that that was the obviously route to forward.

Q942 Chairman: One of the other codes is about the probability of links between alcohol and youth culture, yet we allow alcohol to sponsor things like T in the Park and music festivals for young people as well. Do you have a view on that?
Mr Cunningham: Are you referring to the Portman Code?

Q943 Chairman: Yes. We understand that everybody should use that.
Mr Cunningham: I think the Portman Code is about the packaging of the actual products themselves so that the marketing of the individual product, colours

and taste and the way it looks, should not be attractive to children, should not suggest a sexual content and things like that.

Q944 Chairman: It is the ASA and Ofcom code of conduct on content.
Mr Cunningham: The ASA Code concerns printed media and broadcast of alcohol advertisements, which Ofcom are also involved with, and that code is about actual advertisements that are around alcohol products. It does not extend to sponsorship.

Q945 Chairman: You do not think that having a product on a Premier League football team shirt is advertising? Although I may watch it on my television, you do not describe that as advertising?
Mr Sutcliffe: Not in the way that you are suggesting, that it affects young people.

Q946 Chairman: What is it then?
Mr Sutcliffe: It is a sponsorship of that team, is it not?

Q947 Chairman: The named brand is there to see. Is it brand promotion? Is brand promotion not advertising? What is it?
Mr Sutcliffe: Clearly it is advertising in the context of sponsorship of that brand. I think the argument here is: does that affect and go outside what is a very strong code in relation to Ofcom and the ASA? Clearly, I am suggesting that we will reinforce the discussions with Ofcom and the ASA about that point and report back to the committee.
Chairman: This inquiry might have something to do with that, Minister.

Q948 Jim Dowd: We heard a lot of evidence from the advertising industry last week. The general thrust of it is that they are able effectively to drive a coach and horses when they choose through most of the codes for advertising alcohol, particularly with regard to the age gate and web-based advertising. The Chairman mentioned the Ofcom and ASA co-regulatory approach. How do you ensure, such as it is if indeed it is effective, that it is working? What kind of monitoring or assessment do you make of its effectiveness? The evidence we heard last week is that it is almost completely ineffectual.
Mr Sutcliffe: Clearly we are concerned to hear that and, as I said earlier, there have been various reviews—2005 and 2007 and the Sheffield Study—and so we believe we are looking to the regulators to have powers and opportunities to make sure that they put right any harm being done. If harm is proven to be done, then we would want to strengthen the powers that those regulators have. As I say, the responses so far have not shown that evidence. We continue to monitor and to work with the ASA and Ofcom to see what can be done.

Q949 Jim Dowd: Is this an event or a process? Do you just have it "under review" or are you saying that you will look at what is there and "by a certain date we will reach a decision"?
Mr Sutcliffe: The issues around alcohol consumption have been with me as a minister not just in DCMS but in previous departments where I have worked. I was Consumer Minister and Competition Minister and I have seen the problem being tackled from a number of angles. Across government and with this Prime Minister in particular, there have been a number of seminars and working groups. A number of people have been called in to look at the problems relating to alcohol and the solutions. It is under constant review in a very positive way. Later on this year there will be another get together of government departments to look at the progress that we are making to see where the gaps and weaknesses are and what more can be done. We are looking at these reviews in that climate as to what is possible.

Q950 Jim Dowd: The code at the moment is very much focused on content and yet a lot of the evidence we have taken seems to indicate that it is the frequency and the volume of alcohol advertising that has the greatest effect on younger people and not necessarily the content. The content just seems to be blurred; it is just repetition of the message about alcohol that seems to have the most effect. I know you mentioned in an answer to Howard Stoate that the department has observed a reduction in the exposure of young people to alcohol advertising. Could you just expand on that and draw a distinction between content as opposed to frequency?
Mr Sutcliffe: The distinction I was making which you have picked up was about television advertising. Howard talked about the new media. I would be very interested in the evidence that you have received on the difference between content and subliminal messages. Perhaps we need to look further at this area. We will be happy to receive the evidence that the committee puts to us.

Q951 Jim Dowd: Last year the Safe, Sensible, Social Consultation paper committed the Government to taking further action on whether voluntary social responsibility standards should be made mandatory. How is that process unfolding?
Mr Campbell: The Police and Crime Bill has a code of practice which has mandatory elements to it and local, discretionary elements, so there is progress.

Q952 Jim Dowd: So it will become mandatory?
Mr Campbell: Yes. We are introducing a mandatory code. We are consulting about what the elements of that mandatory code will be.
Chairman: May I thank you all very much for assisting us with this inquiry.

Witness: **Mr Edward Troup**, HM Treasury, gave evidence.

Q953 Chairman: May I thank you, Mr Troup, for coming to help us with this our sixth evidence session of our inquiry into alcohol. Please introduce yourself.
Mr Troup: I am Edward Troup, Director of Business and Indirect Tax at Her Majesty's Treasury.

Q954 Chairman: Between 1998 and 2008 the tax on a bottle of whisky or vodka did not change, yet the harms associated with alcohol were rising. What was the reason for this policy?
Mr Troup: As you know and you will have seen from the written evidence, the basis on which duty is charged on different products varies and is, to some extent constrained, indeed to a significant extent, by EU law. There is a lot of history obviously to the taxation of alcohol. The spirits duty, which obviously includes whisky, has historically been considerably higher than on other products. Although there is not a firm policy, there was a general desire to align the rates of duty per unit of alcohol and so by freezing the duty on spirits while increasing it on other products, we have moved towards that, but we are still currently at a position where the duty per unit of alcohol is 23p or thereabouts on spirits, 17p on wine or thereabouts because of the banding (it varies slightly) and 16p on beer. That freeze helped move the rates of duty closer together but whisky—and this is something we hear a lot from the Scotch Whisky Association as you can imagine—does bear a significantly higher level of duty than other products.

Q955 Chairman: What is the maximum level there could be on spirits without losing revenue? What would be the consequences of, say, a revenue tax of about £12 on a 70 cl bottle of spirits? We understand it is like that in Sweden at the moment. Has the Treasury looked at this?
Mr Troup: I do not think we have looked at that specific number but we obviously do look quite closely at the extent to which increases in duty are going to produce additional revenue yield and what the extent of that yield is going to be. Like Mark Twain's death, rumours of our inability to collect tax are somewhat exaggerated and we have managed to keep revenues broadly rising. There must be a point with any tax where you do start to get diminishing returns and it is a combination of a fall in demand but also, particularly with the excise duties, the impact of smuggling and fraud. With tobacco we are very close to that level, although not quite there, because as we put up tobacco duty further, and it is our policy to do so, we find increasing amounts of tobacco fraud, which reduces the amount of duty, even though the amount of consumption may not necessarily fall. With alcohol we are some way away from that. We do still get additional yields. I cannot answer the specific question of what would happen at £12 but I would be pretty confident we would get quite a lot more than we do at the moment.

Q956 Chairman: You have mentioned the different levels of taxation. Do you think it is time to end the anomaly of taxation on cider?
Mr Troup: I did a bit of history research before I came along today. I have to say that I had not realised this, and you may know, that beer and cider duties were abolished in 1830. Although beer duty was reinstated in 1880, cider duty was not reinstated until 1916 and that only lasted seven years until 1923. In modern times, it was only reintroduced in 1976, which explains why it was the drink of choice when I was at university. There has been quite a lot of catching up to do. What I do not know is why there was no cider duty until 1976. I suspect, as we find now, that the cider industry, which obviously is a very rural and fragmented industry now, was one over which the government of the various days had concerns, and that continues to be the position. The cider makers are an important rural employer. There are over 300 small producers—and they are very small, many of them are individual farms—and they are quite effective at making the case, which we support, for not increasing the rate of duty unduly. I am not sure about the extent to which the rate could be described as an anomaly but certainly there are good reasons why we are where we are on that.

Q957 Chairman: We understand that the duty on mass-produced white cider is at something like 7.5%; currently it is only about a quarter of that on beer that could be of a weaker strength. That disguises the issue of rural jobs. It is a big issue in terms of the potential problems we have in society with alcohol, and particularly in terms of an individual's health, is it not?
Mr Troup: There can be a significant difference in the rates of duty on beer and cider, which looks broadly comparable. It is interesting that certainly in the on-trade there is not a huge difference. If you go into a pub, you will probably find that a pint of cider does not cost you much less than a pint of beer.

Q958 Chairman: Or water?
Mr Troup: Or indeed water, and certainly orange juice. I think it comes back to a general point which we are always interested in at the Treasury which is: what is the relationship between the duty levels and the prices and to what extent are duty increases passed on to consumers in either the on-trade or the off-trade? While I accept the factual point about the rates of duty, I do not think we have seen evidence that it feeds through into consumer prices and hence into any particular behaviour. Although there clearly has been recently a consumer preference for cider, it still represents a pretty small percentage—something like 10% or less—of the beer market.

Q959 Charlotte Atkins: Certainly at the time of the last budget there was quite a campaign by local pubs saying that the tax on beer was unfair. Can you take us through those arguments?
Mr Troup: I will leave it to the pub industry to take you through that. I was listening to your previous session. There has been a significant decline in the number of pubs; 50 a week I think is broadly about right for closures. What is interesting, and I am sorry

I do not have the graph with me but it is certainly one which we have discussed with the pub industry, is that if you look at the path of the number of pubs over time and you look at the path of alcohol duty, there is very little relationship. The number of pubs has gone up and it has gone down while duty has continued to go up. It is very hard to point to any causal link between duty and the number of on-licence establishments or certainly pubs. I think our view is that this is more about social change and where people want to drink than it is about anything to do with duty.

Q960 Charlotte Atkins: I think the argument was that somehow beer attracted a disproportionate taxation and that therefore pubs in particular were suffering because obviously beer tends to be what they focus on.
Mr Troup: That is the argument that has been put to us.

Q961 Charlotte Atkins: Would you say there are no grounds for that argument?
Mr Troup: We have listened carefully to the pub industry and we have a pretty active, ongoing dialogue; we do not think that that is a major factor in contributing to the decline in the number of pubs.

Q962 Charlotte Atkins: That is not what I asked. I asked whether you considered there were any grounds at all for the pub claim that beer is disproportionately taxed. That is the argument they were using. Yes, they may argue that there is a linkage with pub closures but I think the argument was that beer is unfairly taxed by comparison with other forms of alcohol.
Mr Troup: It simply is not. It is taxed at a lower rate per unit of alcohol than wine or spirits. As has been said, it is higher than cider. I think it is simply the concern, which we do accept, that duty does get passed on through the pubs and it must have some impact on their profitability, and that must have some impact on their business, but I do not think we would say that beer, or alcohol duty generally, was disproportionate, nor that it had had a material impact on the changes of alcohol purchasing in the on- and off-trade over the last period of time.

Q963 Dr Stoate: On that point, because it is quite important to talk about taxation and duty, our figures show that 5% lager would attract a duty of £66.30 per hectolitre where as 7.5% lager would be £25.61 per hectolitre.
Mr Troup: Is that lager or cider?

Q964 Dr Stoate: Sorry, cider; it would be considerably less, round about one-third for a cider that is 1.5 times as strong as the lager. In other words, that does tend to give the view that beers are quite highly taxed. I also want to raise an issue that you talked about on spirits. You said that the reason why there had been effectively a 10-year freeze on spirits duty was because you thought spirits were over-taxed. Was that right?
Mr Troup: Yes. I am sorry that I do not have the historic figures per unit of alcohol but at the moment spirits duty is 23p per unit of alcohol; wine, as I said, is about 17p; and beer is about 16p. I completely accept that cider is taxed more lightly than that. I would say, first of all, that there are historic and good social economic reasons for benefitting the cider industry; secondly, it is a relatively small proportion of total consumption; and, thirdly, although we do collect less duty, the benefit of that seems to be absorbed largely by the industry, which we are happy with because it is a rural industry that we are supporting, and elsewhere down the chain and not reflected to the extent that the proportion of duty would imply in the price paid by consumers.

Q965 Dr Stoate: Clearly, there has been a dramatic change over the years because in1948, for example, the duty on a bottle of spirits was £1.14. If we stuck to RPI, according to the House of Commons Library, that would give a duty of £31 a bottle at today's prices.
Mr Troup: I am afraid you are ahead of me on your historical statistics.

Q966 Dr Stoate: I think it is important to put on the record that actually duty on spirits has significantly fallen over the last 50 years, according to figures that we have obtained from the House of Commons Library.
Mr Troup: Can I counter that statistic, which I am afraid I do not have, with some figures from the British Retail Consortium, over a slightly shorter timescale, which they have taken from the ONS figures? They are that since 1990 food prices have gone up 38% but alcohol retail prices have gone up by 85% and retail inflation 60%. So food has gone up less than inflation and alcohol has gone up by more than inflation over the last 20 years.

Q967 Dr Stoate: Our evidence is that alcohol has got a lot cheaper in the last 20 years in terms of the amount of time you need to earn to buy alcohol.
Mr Troup: I think that is right because incomes have risen and none of those increases are as great as the rise in incomes, but against inflation alcohol has gone up faster than inflation—price inflation rather than wage inflation.

Q968 Dr Stoate: That is very interesting because certainly affordability has significant improved.
Mr Troup: We would accept that.

Q969 Dr Stoate: I want to talk about using the tax system to encourage people to drink weaker beers, lagers and spirits. What can we or should we do as a government to encourage people through the taxation system to drink weaker drinks?
Mr Troup: There is a number of points to be made on that. First of all, we do have constraints on what we can do through the tax system—I think that was set out in our written evidence—so there is a limit to

what we can do. Secondly, although we assume a full pass-through of duty to prices in our Treasury forecasts, which are very much revenue-based, it is not at all clear what does happen in terms of how a particular change of duty is translated into retail prices. I think the example of cider is quite a good example in that respect because the lower rate of duty is not fully reflected in retail prices. Thirdly, just listening to Gerry Sutcliffe, a generalised approach is not necessarily the right way to approach the problem. Using the tax system to try to target specific behaviours has a glorious history of failure across the piece. I am not thinking about alcohol duty. I think we would be very reluctant, even if we thought there was evidence that a retail price change might result in the sort of behavioural change you would like, to conclude that using tax policy was the right way to achieve that price change, and an overriding Treasury point is that we are obviously extremely concerned about the position of the public finances. While we might support something which puts some taxes up, we would be very cautious about something which reduced taxes in any area. I think it would be a difficult proposition to stack up against all those constraints.

Q970 Dr Stoate: So you would not be particularly keen on repealing the beer duty for beers under 2.8% for example?
Mr Troup: In a sense, I am interested because, as you may know, the Irish have introduced I think a 50% lower rate for beers below 2.8%, which they and we are permitted to do under the Directive. We would be interested to know what is actually happening in the pubs in Ireland. There is something called Guinness Mid-Strength, which I think is being introduced. We would be interested to know whether that is genuinely being sold at a lower price reflecting the lower duty or—and my anecdote of this is from a few mates who know what it is like in Ireland—that may not be happening and actually the benefit of the lower duty rates may be absorbed by the producers and the retailers. We will certainly watch the experiment in Ireland with some interest. To the extent that tax policy can support health and other social objectives of the Government, we would want to use it if there was evidence that it could do so in a way which was affordable and consistent with public finances. You can see all sorts of reasons why it might not be a good idea. The producers might just see it as a good way of pocketing a tax cut and improving their profits, which would be a perfectly legitimate thing for them to do, but that might end up costing us tax revenues with no actual real change in behaviour.

Q971 Dr Stoate: Thank you for that. The final point is that we are slightly concerned about the increasing strength of wine and the fact that now wine is on average moving up towards 14% strength in many cases as opposed round about 12.5% which it was 20 years ago. Have you looked at whether you would be prepared to change the duty? At the moment, any wine above 15% is considered to be fortified. Having you considered looking at that to consider 13% or 14% and whether that might have an effect on the stronger wines?
Mr Troup: Again, we are constrained by the European Directives that we have to tax wine according to bands. I am sorry but I cannot remember exactly how much flexibility there is in the bands. I do not think there is a great deal of flexibility in the bands. We also have another constraint that because of a European Court ruling (we tax beer, as you know, according to the units of alcohol) we have to keep them broadly together, so we both have to tax the bands on wine in a way which roughly reflects the units of alcohol and we have to keep that broadly in line with the rate we apply to beer and not let them drift apart, which would be seen as supporting a national industry, which we would not be able to do. We have not specifically looked at it but if there was a decent legal proposal, we are always happy to look at something, as I say, if it fits with our revenue concerns and could support health objectives.

Q972 Dr Stoate: Could you possibly give us a note on whether there is a flexibility on that particular issue? We are concerned for example about the difference referred to on 14% wine. At the moment you can charge more for a 15% wine. Anything that we could find out about flexibility would be helpful.
Mr Troup: I am advised that we have to tax 8.5% to 15% within the same band.

Q973 Dr Stoate: There is no flexibility at all?
Mr Troup: No, that is part of the EU Directive. If, on further investigation, that proves to be wrong, I will let you have a note on that but that is what I am told at the moment.

Q974 Jim Dowd: Mr Troup, I heard you say in response to a question from the Chair that the tax on spirits, in particular whisky, has not risen for 10 years from 1998 to 2008. Do you have any idea what the current level of duty would be on a bottle of whisky had it gone up in those 10 years by the same rates as in the previous 10?
Mr Troup: I am afraid, apart from giving a flippant answer of "considerably more", I do not.

Q975 Jim Dowd: I will make different inquiries on that. One of the reasons you did not adduce to the fact that the duty on whisky had not changed during those 10 years was either the personality or the character or the priorities of the Chancellor, now the Prime Minister. Do you have a view on that?
Mr Troup: No, I have not view on that, or not one I am going to share with this committee anyway!

Q976 Jim Dowd: We will speak afterwards! I think the EU competence in this matter probably makes this impossible, but would not a uniform alcohol tax, regardless of which product generates it, be a more fair process?

Mr Troup: I think if you mean uniform it the sense of per unit of alcohol, there are obviously merits in one sense for that. I will stray into issues of viticulture, which I am not really familiar with, but I understand in relation to wine there are difficulties in knowing exactly what its alcohol strength is going to be because of what happens between putting it in a barrel and putting it in the bottle. As I understand it, the banding is largely a business facilitory measure and, once again coming back to Treasury concerns, we do want to support the concerns of this committee but we also want to support the business and make the tax system workable. I do understand that the banding system largely reflects the practicalities of trying to determine the rates of alcohol on those bottled products. I cannot disagree that it would be neater to have a fixed per unit duty across the piece.

Q977 Jim Dowd: Of course the other aspect of it is the effect of a unit of alcohol on any given individual is the same whether they are drinking wine or spirits or beer.

Mr Troup: You are probably better placed on this committee to say whether that is so or not but I have always understood that different alcohols have different effects on different individuals. It is certainly not part of the tax system to try to work out which gets you drink most quickly and put a high rate of tax on it.

Q978 Jim Dowd: We will pursue that in other quarters. The Institute of Alcohol Studies contends that since 1997 the Government has not taken public health issues into account when deciding on alcohol taxation. Although you were not there for the whole of that period, would that be your observation?

Mr Troup: No, I think that is just not true. This area of tax policy, as with a lot of other areas of tax policy, is one which impacts on a lot of government objectives. Obviously, as I have said, the Treasury's overriding concern is about the state of the economy and the public finances but we want all tax policy to work in a way which supports, to the extent that it can, the objectives of other departments and other government objectives. Certainly in the advice which we put to ministers for budgets we do in this area take into account what the likely health impact is going to be and we take into account the representations which we receive from the Department of Health on alcohol duty, so I think it is untrue. It may be that people feel that we have not given enough weight to that, but that is the decision of the Chancellor of the Exchequer of the day as to what he does with our advice.

Q979 Jim Dowd: You have moved seamlessly into the second part of my question. Other colleagues will be raising questions with you about how you reconcile financial and economic priorities with social priorities within Government. You mentioned that you take into account what the Department of Health has to say. What form does that exchange take and who approaches who when the issues of alcohol taxation are being considered?

Mr Troup: Clearly there is a lot of formal exchange between officials but informal exchange between ministers, but we would normally get ahead of both Pre-Budget Report and Budget a formal submission letter from most other departments that have an interest in fiscal matters. So there would normally be a formal letter from the Secretary of State for Health to the Chancellor of the Exchequer setting out his or her concerns and issues and that would then be fed into and reflected in our advice to ministers in the Treasury.

Q980 Jim Dowd: Would that be just a generalised approach to the issue or would it be in response to a specific proposal? Suppose the Chancellor, for example, was minded not to change duty rates at all, would that be put to the Department and then they would be asked for their responsibility? Similarly, if he or she was going to increase it by 10%, would that be put to them?

Mr Troup: I do not want to go too deeply into the minutiae of how individual policy decisions are made. Normally tax policy decisions are matters for the Chancellor where he will consider his options and take a decision in the light of the advice which he has received. That is saying: no, he would not look at half a dozen options for alcohol duty and then tout them round Home Office, DCMS and Health and see what they thought of them and then, in the light of that, decide which one he liked, but he would consider options and he would consider those in the light of formal and informal engagements with his colleagues.

Jim Dowd: All right. Thank you, Sir Humphrey!

Q981 Charlotte Atkins: I am very pleased that obviously the Treasury does engage with the Department of Health. Therefore, do you accept the case made by the Chief Medical Officer for the introduction of a minimum price for units of alcohol?

Mr Troup: I am afraid that that is not an issue for the Treasury to have the final view on but obviously we have seen the proposal and we have considered it. First of all, as you know, the Government's position is that we are not proceeding with minimum pricing. The second point to be made in relation to the Treasury objective and the Treasury contribution is that it would have to be an extraordinarily large increase in duty, even if you assumed it was fully passed through, to achieve the impact on prices in the supermarket, which is an extremely competitive market, as you know, the sorts of levels of minimum price. If we were going to increase duty, we cannot because of constraints of EU law, and to a large extent practicalities, differentially increase duty for on-sales, supermarket sales, to which effectively you would want a minimum price to apply, and on-sales in pubs. If we were for instance, and I do not know what the figures are, to triple duty in order to achieve a particular minimum price in supermarkets and the supermarkets did actually pass that through, which they might not, it would also have the effect of

tripling the duty in pubs. Coming back to Treasury concerns, and we have concerns for the pub sector as one of the many sectors of the British economy which we need to consider, pubs would understandably be extremely aggrieved by that as a means of achieving minimum pricing.

Q982 Charlotte Atkins: Are you saying then that if you introduce a minimum price Sainsbury's could still, for instance, sell eight litres of cider for £3.60, as they did in 2008, which makes it 10.7 pence per alcohol unit?
Mr Troup: No, what I am saying is that if the Government were to adopt a minimum pricing strategy, the way to achieve that would have to be through regulation to oblige the supermarkets to impose that price. It could not be achieved, or it would be extremely difficult to achieve, through tax changes because even if you put the duty up to a particular level, you could not be sure that the full amount of that increase would be passed through by the supermarkets and you would need regulation to enforce that. Leaving aside the merits of a minimum price, I think the Treasury view quite firmly is that duty increases are not the way to achieve a minimum price, were minimum pricing to be government policy.

Q983 Charlotte Atkins: Clearly a minimum price would impact obviously on people on low incomes and people who drink a lot. Do you think that the concern of the Treasury is partly because they see it as being a regressive measure or do you think it is because they do not want to introduce regulation? At the moment, we have a situation where alcohol has never been cheaper in terms of the sorts of loss leaders which irresponsible supermarkets promote.
Mr Troup: The Treasury is not the lead department on determining whether there should be a minimum price. I think we certainly agree with the conclusion that is being drawn that minimum pricing is not the way forward. In terms of why we object to that, we are not objecting to the minimum price but we would make the observation that even if minimum pricing were the right way forward on health and social grounds, tax would not be the right way to achieve that. I am sorry; I am not sure if I have answered your question.

Q984 Charlotte Atkins: You would have to have to have regulation. Clearly the problem at the moment is that just by increasing taxation on alcohol as a way of trying to deal with one of our biggest public health issues, that would not in fact achieve its desired outcome in terms of supermarkets because supermarkets can just choose to put in a loss leader—sell high alcohol ciders at less than the cost of water. Given that we have a real health challenge here, an epidemic really of alcoholism, there has to be a way by Government to deal with this. Clearly taxation will not do it. What sorts of things can the Treasury do to impact on drinkers?
Mr Troup: I am afraid the answer is "probably very little" for the reasons I have given. Simply because it is so difficult to ensure path-through and because this is in a sense a minority problem with one particular section of retailers and the Treasury's levers are very broad levers that apply across the products and across the retail and all the outlets for alcohol, we have very few levers which can actually address, as Gerry Sutcliffe said, a very targeted problem. I very much agree with the comment he made when he said, and I jotted it down, that we have to focus on the problem areas and not take a general approach. I am afraid the Treasury's levers are very general in the way that they can work.

Q985 Charlotte Atkins: Presumably you do some sort of analysis of the impact of taxation on different sorts of drinkers. Do you routinely do that sort of analysis?
Mr Troup: We probably would not but we would and we do see the Department of Health's work on problem drinking and we have had a lot of engagement with them over the years on the impact of drinking on crime and binge drinking on health. We do not do the work ourselves but, yes, we do see the work, and that feeds into the advice which we give ministers.

Q986 Charlotte Atkins: Do you actively work with other departments to assess the impact of the taxation measures you are taking in the general field of health?
Mr Troup: Yes, we do. The only reason I hesitate "actively" is that we have fairly limited resources, so there is a limit to how much we can actually put into actively working on any particular policy area, but we do actively engage with other departments, Health, the Home Office and the Ministry of Justice, on this particular issue.

Q987 Dr Naysmith: Mr Troup, why do the current price elasticities used by the Treasury to calculate revenue yields from alcohol taxation differ from those made by the Sheffield Study and studies done by the industry itself?
Mr Troup: As you know, elasticities are quite complicated things and there is an awful lot of economic metrics work that goes behind them. There are two things I would like to say. One is to try to explain why there are different answers and, secondly, to give you some indication as to how well we think our elasticities have performed.

Q988 Dr Naysmith: If you think yours are better, you tell us why.
Mr Troup: The point is that they are better for our purpose. We use our elasticities for the purpose we need elasticities, which is to forecast the public finances and to forecast revenues. We are not, for instance, interested in consumption of units of alcohol within bands of wine because within the band of wine we get the same amount of duty whatever. If consumers have traded down from

stronger wine to weaker wine within a particular band, we will get the same amount of duty. Our models are not interested in that but the Department of Health quite rightly is interested in that because it is interested in units of alcohol. One of the differences between the Sheffield work and the HMRC work is that the Sheffield work did focus on units of alcohol, which as I say, although it does have a bearing on revenue yield, is not actually the direct determinant of our revenue yield because of the banding system. That is one of the explanations that we can see for the difference between the Sheffield conclusions and our own conclusions. In a sense, you can sort of understand that because we could do things which might have quite an impact on our revenues but people have avoided trading down in the amount of units of alcohol they drink by too much and so, from a health perspective, it might not have achieved the elasticity that we would have liked. You can see the difference there.

Q989 Dr Naysmith: Do you think that the Sheffield Study underestimates the effect of prices on consumption?
Mr Troup: It certainly gives lower elasticities broadly, although not I think in every case, than our own work. Looking at the other end, at the British Beer and Pub Association work and the Oxford Economics work, without being too simplistic about it, that is focusing on the elasticities within products, and particularly within beer. What is clear from the HMRC work is that there are what are called cross-elasticities: if you put up the duty on one product, there will be an impact on the consumption of a different product, so that when you are doing your rather complicated equations—and I am not the person who does these, so please do not ask me too many difficult questions on this—if you start trying to work out what the elasticities are, if you have more factors in, you may be less likely to get an accurate answer for one factor than if you only focused on that factor. We think that that explains why the Oxford Economics work gives slightly higher elasticities in most cases than ours. That is a rather qualitative explanation of the differences. I would point to as the reason why we feel our elasticities are pretty good is that in the—

Q990 Dr Naysmith: That is for your purposes?
Mr Troup: For our proposes, absolutely, and we are only doing—

Q991 Dr Naysmith: There is no questioning of the figures; they are just compiled for different purposes.
Mr Troup: There is no right or wrong here. This is statistics and forecasting. There is more or less fit for purpose.

Q992 Dr Naysmith: Can I change tack just slightly? I have been listening very carefully to your answers since you started and you have been putting out a view that tries to suggest that really tax has very little effect on the consumption of alcohol or is likely to have very little effect, so therefore is not really appropriate if you are talking about health matters.
Mr Troup: I think what I have been trying to say is that it is very hard to predict the effect at a specific level. We do know, or what we believe we know, is the effect at an aggregate level, but again I do not want to keep coming back to Gerry Sutcliffe's points.

Q993 Dr Naysmith: What I do not understand is why it is so different from tax on cigarettes where there is very clear evidence that you put the tax up, the manufacturers pass it on to the consumer and there is a reduction in consumption. Why is alcohol so different?
Mr Troup: At an aggregate level it is probably not that different but the consumption market for alcohol is quite different. There is the pensioner who will buy four cans at the supermarket; there is the young professional couple who will buy half a dozen bottles and drink them slowly through the week. Both of those are consumers who will be affected ultimately by increases in duty.

Q994 Dr Naysmith: But if we do the same thing for tax and ensure by regulation as well as unit pricing that the tax is passed on, then it should have the same effect as tobacco, should it not? As long as the retailers are not allowed to under-price a unit of alcohol, then there should be this direct link as well? Do you have any reason to think there is not?
Mr Troup: I am not sure that we could intervene in the markets. Without putting in quite a lot of minimum pricing up and down the whole chain, which we are probably not allowed to do, I am not sure that we could achieve a direct pass-through of alcohol duty into every product into every outlet. The substantive point is when you come back to health harm, it is not clear where you want to tackle the price for health harm. Is it that you want to get it through the binge drinkers? I do not know and this is very much a question for this committee. We are clear that we cannot see any direct way in which duty can tackle those particular areas. Can I just finish off on the elasticities. The point that I was going to make, and I will not make in detail, is that, since 2003, our forecasting revenues has been much more accurate using the 2003 HMRC elasticities than it was before. We do see them as fit for purpose because they actually seem to be doing quite a good job.

Q995 Stephen Hesford: That was my question. I was going to ask Mr Troup how accurate his work on an annualised basis was from what the projection was to what the revenue is?
Mr Troup: In the four years before we introduced the new methodology it was all shortfalls. We had managed to get in wrong in the wrong direction every year and in one year it was 6.5% out, which is outside what we feel comfortable with. Since 2003 we have had three years of shortfall and three years of overestimation and all of those figures have been below 4% and the statisticians tell me that that is pretty good for judging the fitness for purpose of elasticities.

Q996 Stephen Hesford: If I were the Chancellor making not the detailed calculations but the broad policy decisions and someone like you said to me, "This is where we think we can go. Chancellor," what would be my tolerances either way? If I came back you to and said, "Right, Mr Troup, you have got to save this plus or minus," what would you expect your figures to do?
Mr Troup: What we are saying is 4% on the aggregate revenue figures subject to uncertainties about economic determinants which obviously can affect things as they have this year on top of the pure forecasting uncertainties.

Q997 Stephen Hesford: That seems quite large.
Mr Troup: It is quite large and forecasting revenues, as I am afraid we have seen over the last year, is quite difficult.

Q998 Dr Taylor: I am going to ask you to sum up because I am feeling desperately depressed really. We have got to tackle the huge numbers of people who are hazardous and harmful drinkers who are responsible for £25 billion of the total alcohol market of £33 billion and these are the people drinking harmfully and hazardously. You have said that the Treasury agrees with the Government that minimum pricing is not the way forward. You have rather implied that increasing tax is not going to help either. What are we left with? Is there any way the tax system could be changed to address the problem of these hazardous drinkers?
Mr Troup: I do not say definitely no. We do want to use tax policy where it can—consistent with also trying to raise money which is quite important—support other objectives. At the moment we do not see any way that the tax policy can play directly into this. We do think that increasing alcohol duty year on year is important, both in terms of a signal and because, as Mr Naysmith said, it does reduce overall consumption which must be helpful in terms of the harm factor, but we do not think at the moment that it can play a more specific role in addressing something which may or may not be a minority problem amongst the very large number of the population who do buy alcohol quite properly and without harm. We always want to keep these things under review and if this Committee or the Department or anyone else came up with a proposal which did help, we will certainly look at it. At the moment I am afraid that I will have to leave you slightly depressed.

Q999 Dr Taylor: If we came up with a recommendation that the tax should increase rather more steeply than you are planning to increase it, you would look at it?
Mr Troup: Absolutely. We look at all rates of increase as we come up to budgets. I may then end up facing the Scotch Whisky Association or the Beer and Pub Association and having to explain why we think this is good given the rate of closure of pubs or whatever it is. We obviously would look at a proposal. We have of course over the last year, as you have seen, put up alcohol duties quite significantly and when the VAT reduction comes off at the end of the year that will itself result in a 2.5% increase in all prices of goods subject to VAT, including alcohol, and it is 2.5% on the retail price, not on the per unit of alcohol price, so that will be an across the board increase.

Q1000 Dr Taylor: I think you said early on that the number of pubs closing was not related to the rate of duty.
Mr Troup: We do not think so, no.

Q1001 Dr Taylor: We could go up on the duty without fearing that sort of aspect.
Mr Troup: I would like you to get a member of the Beer and Pub Association along here and ask them that question because I suspect they might not agree with me.

Q1002 Dr Taylor: We have certainly met the Scottish whisky people. I am left with a feeling of pretty severe hopelessness because the analysis of the top five proposals from the health lobby includes increasing duty and minimum pricing and you are pointing to huge disadvantages of both of them.
Mr Troup: Certainly increasing duty is difficult and we do not believe that it is going to target the point that you are concerned with.

Q1003 Chairman: Have you done a study at all on minimum pricing and the effect on the pub trade? My information is that if we had minimum pricing coming in for lager and beers, it would affect pubs inasmuch as it would increase the boxes of lager that you trip over when you go into supermarkets for your weekly shopping. Have you looked at how that would affect the pub economy?
Mr Troup: No is the answer to that. That is not really within the Treasury's remit because the minimum pricing policy is not a Treasury policy. We would be interested in it, as we are interested in anything which has some impact on the economy.

Q1004 Chairman: Because we have current levels of taxation on cider you would look at the effect on the rural economy and jobs in the cider industry.
Mr Troup: Yes.

Q1005 Chairman: You have not looked at this yet then?
Mr Troup: I am not aware that we have looked at what the impact of minimum pricing would be on the pub industry. I may be wrong, but I do not think the Treasury has. I assume that somewhere within one of the Whitehall departments it has been looked at because I am sure the pub industry will have been very interested in it and will have engaged, but so far as I am aware the Treasury have not looked at this specifically.
Chairman: Thank you very much indeed for coming along and helping us with this inquiry.

Witnesses: **Gillian Merron MP**, Minister of State for Public Health, **Sir Liam Donaldson**, Chief Medical Officer, and **Mr William Cavendish**, Head of the Alcohol Team, Department of Health, gave evidence.

Q1006 Chairman: Good morning. I welcome you to the Committee for our sixth evidence session in relation to our inquiry into alcohol. For the record, would you please give us your name and the current position that you hold.
Gillian Merron: Gillian Merron, Public Health Minister.
Sir Liam Donaldson: Liam Donaldson, Chief Medical Officer, the Department of Health.
Mr Cavendish: Will Cavendish, Director of Health and Wellbeing at the Department of Health.

Q1007 Chairman: You will be aware that this is our sixth evidence session and therefore there has been quite a lot of evidence put in front of us about the issue of alcohol at this stage. On the current projections for the state of the nation's health as a result of alcohol misuse, we have had evidence that is truly shocking in relation to that. Minister, has your national alcohol strategy failed comprehensively?
Gillian Merron: Is it acceptable that I make a few opening remarks which might help frame some of our comments?

Q1008 Chairman: I understand that you have time constraints as of course have the Committee, so please take that into account.
Gillian Merron: I will be very brief. I do want to thank the Committee for inviting us to give evidence today. It is an early opportunity for me as a Public Health Minister to meet with the Committee. I would like to put a few points on record which I hope will be useful about the Government recognising that alcohol is indeed a rapidly rising concern and it is a challenge to health and wellbeing of individuals, but also to families and communities. In our strategy the Committee will know that we have added tackling what is a silent epidemic of the longer term effects of harmful drinking in addition to binge drinking and underage drinking. I also wanted to make it clear to the Committee that, whilst I see we have made some progress, there is an awful lot to do. I particularly wanted to say that we do find unacceptable the level of alcohol-related admissions to hospital, crime and the level of death that we see. We know the truth is that the majority of drinkers are able to deal with alcohol responsibly and we have a duty to ensure that the public is well-informed and supported, but we also have a duty to protect the most vulnerable, including children, and we also have a responsibility to the health of the public as well as their safety. I will be making visits during the summer recess to see the work out in the field. I am only interested in what works, as I know the Committee is. We do have a real challenge. I think we need greater responsibility from industry, we need the right action from government and we need personal responsibility from drinkers. In conclusion, I look forward to the Committee's report because I do feel that it will help us very much in meeting the challenge before us, so I am grateful for that opportunity.

Q1009 Chairman: That is an acceptance of its findings and I am more than pleased, given that we have got none together at this stage. I have a couple of related questions and one is that if you look round at related alcohol harm in other not dissimilar countries in Europe, it is actually falling in those countries and it is not here certainly in England and Wales. Why do you think that is?
Gillian Merron: That is the challenge that we have before us. It is true that the overall pattern that we have in the UK is that consumption is and has been rising for some 40 years but we started at a relatively low level. I think the levels of harm are rising below consumption, although they are of great concern. There are a variety of factors for the UK: social, economic changes and particularly we can look at the example of women and girls and their involvement, drinking glasses have got bigger, wine has got stronger, but we have the challenge of binge drinking upon us. The initial question was about the workability of our strategy in tackling that. It is too early for me to say that the strategy has failed. There has been progress and I hope we will go on to explore that but we have a lot more to do. There are a number of areas where we are starting to make an impact about better informed decisions, a healthier environment for people, we are improving services and also we are seeking to improve the whole system like bringing in a performance indicator, which I think is focusing the minds of PCTs perhaps more and we are seeing some good signs in that, which again I am sure we will go on to explore.

Q1010 Chairman: The other thing about the Cabinet Office 2004's Alcohol Harm Reduction Strategy, we were told it argues that alcohol taxation should no longer be related to public health. Is this the case and how can this be justified?
Gillian Merron: Some of that is a little above my pay grade and of course is a matter for the Chancellor. I know you have just had an evidence session on taxation and the Treasury. I do think that there is an imperfect relationship between tax consumption and price. For me tax and price are not necessarily the same thing. For example, any potential increase in tax is not necessary. I do not just say this in relation to alcohol; we see it in other environments and not necessarily passed on. What matters is overall what are we seeking to achieve and, overall, what is the best instrument to get there.

Q1011 Chairman: Sir Liam, what are your views about this whole area? We will be asking more specifics about taxation or the price of alcohol but what about the strategy itself?
Sir Liam Donaldson: Most people reflecting on the earlier strategy would say that it was probably too narrowly-based and looked specifically at tackling harm; it did not go broader than that. Thinking has moved on a lot and I think the 2007 strategy was much more enlightened and broad-based in its approach. You asked about the health-related outcomes and this is a source of great concern—I highlighted them in my 2001 report—showing an

increase in liver cirrhosis particularly in young people and I think the Minister is right, the broader factors of price and availability which influence all of this are relevant there, but then the particularly harmful pattern of binge drinking has a big medical impact on people's livers particularly, so it is a little early to say whether the strategy is working, but it has certainly moved in the right direction in being much more broadly based.

Q1012 Stephen Hesford: Sir Liam, do you agree with the RCP that deaths from alcohol are in the region of 40,000 a year?
Sir Liam Donaldson: There are different death figures cited. Liverpool John Moores University gives a lower figure—but the bottom line is that we need to get through the Office for National Statistics a more reliable figure. It is similar when you look at obesity-related deaths that actually attributing a proportion of deaths from a range of different causes to alcohol is quite difficult and is disputed amongst different statisticians. I do not know whether that figure is the right one but what we do need is a much better, regular measure which people can rely on more than the different estimates that we have at the moment.

Q1013 Stephen Hesford: So that we do not go round pointlessly in a statistical circle, is there an acceptable minimum figure of deaths annually—40,000, 30,000 25,000—that alarms the Department of Health that we can work with?
Sir Liam Donaldson: We are not alarmed but we are concerned by the relatively high level of alcohol-related deaths generally. I would not want to put a figure on it. I feel that the main priority is to sort out a proper methodology for it and be able to give a figure that does not lead to arguments and disputes every time it is published.

Q1014 Stephen Hesford: This Committee and yourselves have been round this track with tobacco, for example, successfully. In 1999 we reported and things have moved on successfully over time. One of the startling figures for that and one of the reasons that government eventually were caught up short with it and had to act is the number of tobacco-related deaths—120,000 at that time—and unless we can nail down a figure and understand what the patterns are, government will not act because you will get this blancmange of an argument that it is not a real figure, it is not going anywhere, so we need to know where we are going with these figures.
Sir Liam Donaldson: I absolutely agree with you, we do need to nail down a figure. It is not quite as straightforward as with tobacco because the research on tobacco-related deaths started in the 1950s with Doll and Hill, so it was easier to attribute the fraction of tobacco-related illnesses to tobacco and therefore work had been done over many years, but it is important as a priority to sort this out.

Q1015 Stephen Hesford: What are the projections then for alcohol-related deaths? What is the DoH thinking on this? Where is it going?
Sir Liam Donaldson: It is a fairly simple relationship if the level of alcohol consumption continues to go up then we will see the related mortality go up. If we have a measure of mortality we will be able to put numbers on that.

Q1016 Stephen Hesford: The Minister said before that alcohol consumption is going up but alcohol-related harm is not rising in proportion. Is that right? That appears to be slightly different to what you have just said that there is a direct relationship between consumption and harm rising.
Mr Cavendish: We do not have a perfect measure of alcohol consumption, but in aggregate the amount of alcohol consumed seems to have plateau-ed for the last three to four years, perhaps has dropped a little in the last couple of years, so there has been a halting in the rise of overall alcohol consumption and given that the relationship between overall consumption and forecasts of alcohol-related deaths, you would expect the rate of alcohol-related deaths to be stable too. That has also happened in the last couple of years. Obviously we can provide more information to the Committee if you wish.

Q1017 Stephen Hesford: Yes, please. If we bring it down to the individual, people seem to be uncertain about what sensible drinking is. The Minister very helpfully indicated the idea about large glasses and that sort of thing. Could you tell us more about what danger drinking is if he or she consistently drinks one or more units above this daily allowance? How does that work?
Sir Liam Donaldson: As you know, the recommended levels for lower risk drinking are two to three units a day for women and three to four units for men. The higher risk levels are six units for women and eight units a day for men. The use of units of alcohol does date back to the mid 1990s and I do think that it is something that we have to look at again because most of the medical research into the risks of alcohol relate to grams of alcohol—that is the scientific measure that is usually used—and this is a subject that, although the public are now very aware of units of alcohol and that is extremely helpful, over time it would be nice to try and find a stronger correlation between the research evidence which uses grams of alcohol and the use of units.

Q1018 Stephen Hesford: So that we are not overselling the dangers of the public becoming immune to the message because it does not happen in real life, if you have your minimum alcohol unit intake and you are just one or two over those, is that really harmful? How does the public understand the relationship?
Sir Liam Donaldson: This may be a hard message but as far as cancer is concerned there is no safe limit of drinking. That is well established in the international literature. As far as heart disease is concerned, there is some evidence that very moderate drinking can be beneficial. It is for the individual really to trade those things off. What there is no doubt about is that heavier levels of drinking, particularly binge drinking, will shorten many people's lives.

Gillian Merron: That is why we are very keen on our "Know Your Limits" campaign about know your limits, know your units and also on labelling so that people understand and can make the choice about how much they are drinking.

Q1019 Dr Naysmith: According to the Department's own figures, three quarters of all the alcohol is drunk by people who drink too much. The fact that quite a lot of the alcohol is drunk by a significant proportion has effects in all sorts of different ways. It has effects on the profits of the drink manufacturers and those who sell it because they would lose a large proportion of their income if problem drinking were to be eliminated. That is one aspect of it. The other one is: is it possible to reduce consumption and simply to concentrate on those who consume too much in just that group?
Gillian Merron: Perhaps I could start with a few points and I am sure Sir Liam will want to come in afterwards. The first point about the industry, and I know the Committee has talked to the industry, but what the industry does not want is to be tarnished as a toxic industry. We are seeking to try to work with them to assist in that. In terms of reducing, Dr Naysmith is right, this is a group that we need to focus on which is why we put them into the new strategy. In general terms the first change is that we not waiting for people to come to us—we are going to them—and that is the big shift and I hope we will see more success. If I could briefly go through how we are targeting the higher risk group, first of all the identification and brief service, which I would describe as the tap on the shoulder, the very direct but brief conversation and direction by professionals at times when people are most likely to be amenable, first of all; so perhaps when they are seeing their doctor or they are at a hospital or in any other cases. We are also investing £8 million a year in the direct enhanced service which is about providing incentives for GPs as new people come in to register that they do an assessment in terms of alcohol. We have tried to catch people as they are coming to us rather than the other way.

Q1020 Dr Naysmith: There has been a lot of evidence about that and how it is done and so on. The question is: is it working?
Gillian Merron: This is relatively new of course and we have also increased the number of treatment places up from 63,000 to over 100,000, so we are now reaching approaching the proportion of the dependent population that we need to. Locally there is action by PCTs and health services in terms of targeting this group and I am very interested that we work within the NHS to target the areas with the most need with the highest risk drinkers, and in particular investing £4 million in 20 early implementing PCTs so that they can particularly tackle this matter but also that we can get the good practice in order that others can learn from them.

Q1021 Dr Naysmith: I would like to make the question slightly more complicated in that we have been to Scotland and studied what is happening up there and had some really good evidence up there and it is clear that the higher a society's alcohol consumption is, then the higher the number of problem drinkers there are. There seems to be quite good evidence coming from lots of different places, therefore the Government should not just focus on this problem, but should try and reduce overall alcohol consumption.
Sir Liam Donaldson: There is a general principle governed by an epidemiologist, the late Geoffrey Rose, called the Rose curve, and schematically he describes a bell-shaped curve of this behaviour. It is never perfectly bell-shaped, but for the sake of argument it is bell-shaped. At one end are the teetotallers, at the other end are the heavy drinkers and everybody else is in the middle and his principle is that if you want to affect the most people then you have to shift the curve to the left, which means concentrating on the mean and doing something with the whole population. That does not mean that you ignore the heavy drinkers but basically if you were to target the heavy drinkers only at the right hand end of the curve and then believe that everybody else would stand watching and then modify their drinking, that does not work because people see themselves in a different category. You have got to have a strategy that does both; it provides for the heavy drinkers but it also influences everybody else.

Q1022 Dr Naysmith: That is reasonable. If you start encouraging people lower down the curve not to start drinking, or to drink moderately when they are young or before they start drinking heavily, it is bound to affect the other end.
Sir Liam Donaldson: The only thing you do not do is to get the teetotallers starting to drink.
Mr Cavendish: For some groups it can be a little more complex. For example, for young people, the number of young people who are drinking has been dropping over the last few years, but for those young people who are drinking they say they are drinking more. There you have a slightly different thing happening where we have been successful in getting less young people starting to drink, but for those who are it is getting to be increasingly a problem. There are different challenges for different groups that we need to address.

Q1023 Charlotte Atkins: Minister, do you support the introduction of minimum pricing as you are sitting next to Sir Liam?
Gillian Merron: I certainly am sitting next to Sir Liam.

Q1024 Charlotte Atkins: Do you support the introduction of minimum pricing, as he appears to?
Gillian Merron: First of all, as I am sure the Committee is aware, we work very closely with the Chief Medical Officer and on this one I am very keen to talk to the Chief Medical Officer in greater detail than we have already. The first thing to put on record is that we are not ruling this out. I am interested in exploring various pricing options. I know the Committee is aware that it is a big decision should a

government decide to interfere in any way in terms of pricing, whether through this means or any other. I would say, and I know that the Committee will have seen the Home Office report, the consultation on the new code of practice and the references in there and I think they are important. I would make the point that this talks about further research. For me this is not only about research, it is also about working with the public because whatever route we may or may not take forward we have to take the public with us, so in any thought about discussion and movement I would very much want public involvement.

Q1025 Charlotte Atkins: We had a rather depressing view from the Treasury that they could do very little in terms of taxation, whether it be minimum pricing or whether it be taxation and obviously if you have minimum pricing that can actually increase the profits of the drinks industry and supermarkets. Do you see any other approach that might come up with the desired result of reducing the amount of heavy drinking and also harmful drinking that people engage in at the moment?
Gillian Merron: I hope the Committee sees, and I am sure you do, our commitment as a government in terms of our consultation on the mandatory code, for example, which I think is very important. We are actually calling time on matters, we hope, such as "Drink all you can for a fiver" or "Women drink for free", for example. On the particular question, tax can be quite a blunt instrument in any case. Where we have started what are we trying to achieve, what are options for doing it and what is the best way to do it? I am very keen that we work very closely with the public. My main message to the Committee is that I am interested in this whole range of options. The Committee will know that I am new in post and will be aware of the pressure on us in the Department in terms of swine flu at present. I am going to be very interested in what the Committee also suggests to us.

Q1026 Charlotte Atkins: There seems to be a lack of urgency by the Department of Health. This is one of the biggest health problems facing our country at the moment. The evidence in Scotland was startling and England is going the same way. It really is a huge problem which does not appear to be shared so much in Europe—they seem to be tackling it—and we seem to be getting in a worse and worse situation.
Gillian Merron: Please do not misinterpret my comments about swine flu. I was just asking the Committee to understand that we were talking particularly about pricing options and exploration of those. Will may wish to elaborate on the kind of work that is going on, but we have seen progress in just the last year alone and that will continue so there is no let up on that. My comment was purely related to the working on the pricing options.

Q1027 Charlotte Atkins: Sir Liam, you told us when we were looking at our smoking inquiry that it took some time for passive smoking to be heeded in Whitehall—that is what your 2008 Annual Report says. Are you confident that minimum pricing is an idea whose time will come in the near future?
Sir Liam Donaldson: I am. I think it is a very neat solution to the question of acting on the evidence that price, along with availability, is a major influence on drinking patterns because it is good because it targets disproportionately heavy drinkers. It does not do much to moderate drinkers. It does not add to their expenditure a great deal. For once, in contrast with the smoking ban, we cannot be accused of attacking the pub trade because it would actually help them. The problem at the moment is that the supermarkets are being used often by young people to buy cheap drink and then drink it so that when they go into the pub they do not have to pay such high prices. I know that you are very familiar with this from having heard evidence from the researchers and others, but that is why I think it is a particularly neat solution. I do not feel particularly wedded to 50 pence; it is just the principle of a minimum price and it could be established in the public's mind and then adjusted rather like the minimum wage according to circumstances.

Q1028 Charlotte Atkins: Rather spectacularly during the smoking inquiry you told us that you had considered resigning over the issue of the Government's lack of enthusiasm for your proposed total ban on smoking. Do you see that this might be an issue for resignation in the future?
Sir Liam Donaldson: No, I do not. I think it is a slightly different situation. At the time of the smoking ban we were fully aware that people were regularly and daily being exposed to potentially 50 cancer-causing chemicals. It was a serious environmental hazard and I felt that action urgently needed to be taken and on this one it is one of a range of public health issues which it is my role, along with others, to advocate and I will be continuing to advocate it very forcefully.

Q1029 Charlotte Atkins: Would you see alcohol as being virtually akin to smoking in the past as one of the biggest public health issues that we have to face in this country?
Sir Liam Donaldson: Definitely, yes.

Q1030 Jim Dowd: Sir Liam, you just mentioned the 50 pence minimum price per unit in the 2008 report. You say here every year there could be 3,993 fewer deaths. I find figures like that literally implausible; the fact that you can get it down to "3" at the end is almost like the ludicrous assertions that were made, and they varied widely, about deaths from passive smoking. I think these things are just to cloud the issue. How do you calculate that figure? What is the function of 50 pence and can you gradate it in units of, say, 10 pence to find out if there is a greater benefit? How is it done?
Sir Liam Donaldson: Essentially I have relied on the research undertaken by Sheffield University, of which I know you are aware, which says that the full effect will be seen by 2019, which is where the 3,000 deaths and reduction of 100,000 hospital admissions

come in, but they also point in the first year to an earlier benefit with 400 fewer deaths and 8,000 fewer hospital admissions. If you look at the Sheffield report, they have calibrated the different levels right up to 70 and 80 pence and you can just read them off in the tables.

Mr Cavendish: I am looking at the Sheffield study right now which goes from a price of 15, 20, 25, 30, 35, 40, so there is no shortage of—

Q1031 Jim Dowd: It is an arithmetical extrapolation.

Mr Cavendish: It is a relationship between an impact on price, on consumption, from consumption through to health harm, from health harm through to mortality and they have worked that through.

Q1032 Jim Dowd: Your opinion is that that is well founded?

Mr Cavendish: It is a good study, yes.

Q1033 Jim Dowd: Why has no action been taken to implement your suggestions on minimum pricing and where are you going to find a political champion for it from?

Sir Liam Donaldson: Both the main political leaders at the time considered that this was not a good time to be implementing a change of this sort, given the economic climate and people's circumstances. Personally I think that this needs to be kept on the agenda. I think the Minister has indicated that it is still on the agenda and I am very pleased to hear that.

Gillian Merron: If I may add in light of the earlier question from Mrs Atkins, we are taking action on very cheap alcohol, which is a particular concern for people. In terms of the mandatory code, we are consulting that alcohol should not be sold below the level of excise duty and VAT. That is the worst offender in terms of availability of cheap alcohol and I think that is what people find most offensive.

Q1034 Jim Dowd: Minister, you mentioned the Drinkaware campaign. You may be interested to know—you will see it in our report in the fullness of time—that both in this room and as far away as New Zealand we have received evidence that these things are complete hypocrisy. Presumably you would resist that?

Gillian Merron: I would resist that, Mr Dowd. I think the evidence shows otherwise. Nearly three quarters of people recognise the "Know Your Limits" campaign. We have seen a five percentage point increase in just one year of men understanding on the issue of the number of units they should be drinking. I do not think the evidence stacks up to that. Personally I happen to think that it is quite right that we inform. We spoke earlier about the need to work with the whole population. I think it is right and proper that we inform everybody who is a drinker about what is the correct number of units that will keep them healthy and also what a unit looks like. I think we have a responsibility to do that.

Q1035 Jim Dowd: To come back to Sir Liam on the minimum pricing proposition, it has been suggested that were it to be introduced it would disproportionately affect drinkers on low incomes and the Institute for Alcohol Studies contend that each social group spends more on alcohol than the one below it, except for the bottom one obviously, so therefore it is actually the less well off who are going to be punished and it will have no effect whatsoever on the principal consumers of alcohol who are the better off. How do you respond to that?

Sir Liam Donaldson: The principal consumers of alcohol are the better off? I am not sure that that is true but I might be completely wrong about that. The data from the Sheffield study allocates the extra expenditure to the individual in the category of moderate drinking versus major drinking and they show that the moderate drinkers pays relatively little a year as a result of this change, whereas the heavy drinker would pay a lot more. I think that is the benefit of it that we can say that it is not going to make a big impact on the moderate drinker as far as their drinking habits are concerned if they choose to continue to drink.

Q1036 Sandra Gidley: Minister, you made an interesting comment earlier in this session. I think you said that the drinks industry did not want to be regarded as a toxic industry. Presumably the tobacco industry had a similar view a few years ago. What is the difference between the tobacco industry and the alcohol industry, seeing as alcohol is actually a dangerous drug?

Gillian Merron: I think the difference is between tobacco and alcohol, first of all. In tobacco one cigarette is damage and a danger to health. With alcohol we are not telling people not to drink; we are actually informing them about what is moderation and what is safe and healthy and I think that puts not just the industry—I would not jump to that so much—but it does put the two areas rather different to me and I think we have to be smarter in how we deal with them differently because they apply to people's lives very differently.

Q1037 Sandra Gidley: Did you see the research published a couple of years ago that puts alcohol as a more abusive substance than cannabis?

Gillian Merron: I appreciate all of that but I think the important point is our message and the reality of alcohol. As I said in my opening comments, most people drink alcohol responsibly and we should not lose sight of that. Of course, it can and does and we know that causes immense damage which is why we are here today and why we do the work that we do, but it is not in the same category. It is an interesting discussion about tobacco where we are actually saying we would like to give up completely. We have a totally different message and a totally different angle, but I have to also say because we will know from our tobacco discussions that tobacco is also a legal and acceptable substance so we also have to take that into account.

Q1038 Sandra Gidley: Is it not really the case that the Department takes too much notice of the alcohol industry? I have heard that at almost every meeting there is a representative from the industry there. I cannot imagine that being the same for tobacco.
Gillian Merron: That is not true.

Q1039 Sandra Gidley: It is very difficult for me to find out. I have tried to table PQs to find out who attends these meetings and they have not been answered.
Gillian Merron: I can assure you that the suggestion that somehow the industry is "on the inside" on this in the way that is described is not true. Our concern is to tackle the damage caused by alcohol in the ways that we are doing it. The best evidence for the Committee in terms of action by the Government is the one about consultation on the mandatory code. The truth is voluntary action there has not worked and so we are consulting on a mandatory code; in other words, where working with the industry in a voluntary way did not produce the results, we are taking firmer action. My view is that is absolutely the right thing to do. You seek to work with the industry. If the industry does not respond you have to move further and we are doing that. Again, I know you have spoken to my Home Office colleague about that.

Q1040 Sandra Gidley: You have talked about voluntary codes not working. There is a voluntary code for alcohol advertising but given this advertising encourages alcohol uptake to increase consumption by young people, why are we not advocating a complete ban on alcohol advertising?
Gillian Merron: For the similar reasons that I have talked about in terms of what alcohol is compared to we talked about tobacco. I am very keen, for example, that we protect children in particular here. We all know that in terms of the area that we are discussing it is broadly self-regulatory, that is true, and the advertising rules largely do work, but I should also say that I am very keen to keep an eye on this whole area but the codes do have certain prohibitions. It was in 2005 that they were strengthened: for example, it is not possible to promote irresponsible consumption, it is not possible to connect alcohol with sexual or social success and in particular adverts should not directly appeal to children and young people under 18. I do think there has been progress. I know this is a big area of concern for the Committee and again it is an area where I am very keen that we see if we need to do anything further.

Q1041 Sandra Gidley: When you say advertising rules do work, what do you mean by that? Do you mean that people comply with them or they encourage people to drink responsibly?
Gillian Merron: I hope they do when we are talking about our "Know Your Limits" campaign and we have a new campaign, which I hope the Committee are aware of today, called "The Campaign for Smarter Drinking" which is being funded by the industry. Just relating back to the question about trust with the industry, on that campaign, for example, it is a five-year campaign and we have said that we will back it for a year but we will look at the independent audit to see if it is working before continuing to commit to continuing to work with them. Again, I hope that gives a bit of confidence to the Committee.

Q1042 Sandra Gidley: You mentioned some ways in which advertising has been restricted but the evidence seems to show that it is the amount of advertising of alcohol, not the content that influences young people's drinking. Are we not barking up the wrong tree by trying to modify the content?
Gillian Merron: That is important as well. I do not think we can put that on one side. I am open to the arguments on this but we have to look at what the evidence is and what tactics are going to be effective to reduce exposure and harm. It is in that context that I would want to look at them. We have asked the ASA to look at the Sheffield review. The ASA have just had a consultation on what the implications are from that and I am again wanting to see what the feedback is and I want to see what the ASAs conclusions are.
Mr Cavendish: The Sheffield study itself was more equivocal about the relationship between advertising and promotions, health and so on. They looked at a total ban on alcohol advertising and found that it might increase consumption of alcohol, although on balance they thought it would reduce. They produced a very wide range of figures and we have to keep this under review.

Q1043 Sandra Gidley: They thought a total ban on alcohol would increase consumption?
Mr Cavendish: There was a risk that it might.

Q1044 Sandra Gidley: So why did we ban tobacco advertising then?
Mr Cavendish: Again, they are different products with a different relationship. My point is really not to say that that may happen or not happen, but that the evidence underpinning the relationship between advertising, consumption and harm is more equivocal and that is what the Sheffield study told us. That is why we need to keep it under review but there is not as urgent a call to arms around that.

Q1045 Dr Naysmith: Could I explore what I think it a slight, but not negligible, difference between the attitude of Sir Liam and Gillian on the effects of alcohol. You are talking, Minister, about there being a healthy level of drinking and as long as you stay within the recommended units then that is healthy. Sir Liam rather implied that with some things one or two drinks can start the process off and can be themselves unhealthy.
Gillian Merron: If I can clarify, I am talking about causing harm.

Q1046 Dr Naysmith: Did you not say that there is evidence, Sir Liam, that it can increase the incidence of cancer?

Sir Liam Donaldson: The pure scientific evidence says that there is no safe level of drinking for cancer, but for other conditions like heart disease there is some evidence that a very moderate level of drinking actually reduces your risk.
Dr Naysmith: Of course, no one knows whether you are going to get heart disease or cancer. The sensible advice is not to drink anything. I just wanted to clear that up.

Q1047 Dr Taylor: Minister, can we explore the mandatory code a little bit further and the effect that this could have on alcohol promotions. We have already mentioned two for one, ladies promotions, loss leaders, falling over piles of Stella as you walk into Sainsbury's. Were you involved with drawing up the mandatory code as well as the Home Office? How is it going to tackle these promotions?
Gillian Merron: I personally was not in post. I will invite Mr Cavendish to comment on behalf of the Department, but on the mandatory code it is about tackling the worst excesses of promotions. I have mentioned a couple of them. I think addressing the selling of very cheap alcohol in the way I described earlier is crucial.

Q1048 Dr Taylor: It will prevent that?
Gillian Merron: Where the price is below duty and VAT is what we are consulting on and obviously we will have the results of that consultation soon. A lot of people appreciate a deal so I think it is important that we make a judgment on what is dangerous and what is not dangerous. There are some extremes that I think the public find totally unacceptable and they are the ones through the mandatory code because we have not had voluntary agreement with what we are seeking to do. Perhaps Mr Cavendish could answer on the work between the two departments for me.
Mr Cavendish: The intention of the mandatory code is to combat violence and social as well as health harm and there is a balance of measures in there. Some of the things when we did the analysis seemed surprisingly impactful; something like smaller glass sizes. In many places you go in and order a drink and you just get the larger glass size by default. We are proposing to make it mandatory to offer and have the smaller glass size available. When we looked at the relationship between that and consumption it came out as more significant than we would have thought, so some of those things that are not necessarily the headline grabbers we think will have a good health impact. We published an impact assessment and we could provide all that evidence to you if you wish, but we are confident that those measures will impact on health harm as well.

Q1049 Dr Taylor: Will it have any effect on supermarkets putting lots of alcohol at the end of different aisles? We have heard examples of lumps of alcohol being put with children's clothing and obviously these masses of Stella as you walk in. Will there be something to prevent this sort of promotion?
Mr Cavendish: Not in the current code. Obviously it is a consultation and the public may come back and others and say that is something we want. The industry itself has said they think it is unacceptable to have the photos you have seen of large volumes of cheap white wine sold next to children's clothing and are tackling that themselves and we think that is absolutely right.

Q1050 Dr Taylor: We have heard time and time again that the industry's codes do not actually work and that is why this has got to be mandatory.
Gillian Merron: That is right.

Q1051 Dr Taylor: If we put in a response suggesting that all these things should be mandatory might that have some effect?
Gillian Merron: I am sure that many Members around the table have already put in their responses to the code consultation.

Q1052 Dr Taylor: Going back to something Mr Cavendish said earlier, you said there was a halt in the rise of overall alcohol consumption.
Mr Cavendish: Yes.

Q1053 Dr Taylor: We know perfectly well that there is an increase in alcohol-related hospital admissions. Does that imply that it is sensible drinkers that are drinking less and that we are just not targeting the heavy and the harmful drinkers?
Mr Cavendish: Some of this is about the difference between what people call chronic diseases and acute complaints. If you drink for a period of time you will build up illnesses in your body that then take time to express themselves. A fair fraction of the people who are turning up at our hospitals and getting admitted now are people who have been drinking too much for a long period of time and the problem has arisen five or 10 years ago. Unfortunately people turn up because they are tipped into needing healthcare in a year, so there can be a de-linking between the overall rise in consumption and hospital admissions because of a relationship between a long term illness and more acute episodes. That is really what is underpinning that.

Q1054 Dr Taylor: Would you accept that we are not actually achieving success in targeting the heavy and the harmful drinkers?
Mr Cavendish: No, I would not accept that. I think the Minister has already laid out the approach we are taking.
Gillian Merron: It would be true that there is a lot more to do. In the strategy 2007 that is when we added that group and that is a challenging group, there is no doubt about that, but as I have said the levels are unacceptable and that is why we are doing all the things that I have mentioned earlier.

Q1055 Dr Taylor: It is the strongest argument, as Sir Liam has said, for minimum pricing that it does target the heavy drinkers most.

Mr Cavendish: It is a strong argument too for more treatment places because that has a very direct and positive impact.
Gillian Merron: The strongest argument it is for is that the strategy is right to have that as one of the target groups. For me, I work on very much that we brought that in in the most recent strategy.

Q1056 Dr Taylor: We fully accept that we need more treatment services but prevention is far better than cure.
Gillian Merron: It is, that is very true, and prevention, as the Committee will know, is from a whole range of things, many of which we are discussing today.
Sir Liam Donaldson: It was actually Benjamin Franklin who said "an ounce of prevention is worth a pound of cure".

Q1057 Charlotte Atkins: Let's turn to the cure part of it. Minister, according to the National Audit Office £195 is spent on treatment for each dependent drinker in the UK compared to £1,744 for each dependent drug user. That does not seem to make any sense. One, of course, that the drug user is involved in an illegal action whereas the alcohol user who is engaging in a legal exercise and therefore there is not the downside to it, but when it comes down to looking at their health needs much less is being spent on the drinker, who of course is being targeted hugely by the alcohol industry to encourage them to drink lots of alcohol. Why are we not re-jigging that? Why is that happening? I have a local unit in my own constituency which a former public health minister opened for me which is drug and alcohol but the focus is always on drugs. Obviously that sends out completely the wrong message and what is also difficult is because drug users go there, people who have got alcohol problems see themselves as superior to the drug addicts and therefore are unwilling to go along to something that they see as being a drug unit rather than an alcohol unit.
Gillian Merron: The first thing to give a reassurance on is that from April 2008 we brought in a national alcohol treatment monitoring system which would monitor the provision of specialist services and I think that is important. I would say on the figures for me the comparison is rather crude because they are not like for like. Alcohol treatment and drug treatment, as the Committee knows, are very different and the costs associated are very different. On alcohol dependence we are talking potentially, not exclusively, of things like psychosocial interventions which take place in the community: counselling group therapy, day treatment programmes. I know that is also similar for drug users but often with drug users we are talking about, for example with the treatment of heroin addiction that would require something rather different—attendance at specialist services over many years—opiate addicts would have substantial prescription costs. I have difficulty in accepting them as like for like. What I think is a very fair point, and that is why we are putting this extra effort in, is about raising the standard of services and I am sure again the Committee will have some strong views. That is one of the reasons I want to get out to see for myself on that. In general terms there is one other point and the Committee will know that PCTs make decisions of course about allocations of funding to meet the needs in their local area and they will of course vary.
Sir Liam Donaldson: The Minister has indicated that on her visit she will see more of these services—she has only just come into post—but I think there is a split in the public health world between those who believe that treatment of alcohol and heavy drinkers should be put in with drug treatment services and those who believe that they are totally different problems. The very practical problem that you have identified, if somebody has both a dependency on alcohol and a dependency on drugs and they then go to a drug treatment service and are told we can deal with one part of your problem but not the other, I think that is difficult and I think that is something that probably we would want to look at.

Q1058 Charlotte Atkins: The issue is here that you have a service which is primarily dealing with drug users and increasingly they are being extended to include people who have a separate alcohol problem and because alcohol abusers, so I am told, see themselves in the hierarchy as above drug users, who are the pits, as it were, they are unwilling to associate themselves by going along to the same unit with drug users. I want to move on to an issue with something which is used by heavy alcohol users which is Antabuse. Some people are required to take Antabuse if they are on benefits and so on, but there is not a widespread use of a device which demonstrates that those people are using the Antabuse because you need to ensure that the Antabuse is in the body to make sure that the deterrent effect of having Antabuse in the body, i.e. that you cannot drink if you have Antabuse in the body, is followed through so you have to have a device and there is a device on the market which does measure whether those people are taking Antabuse as they are required to do rather than just throwing the pills out of the window once they are free of their appointment.
Sir Liam Donaldson: I have to confess that I do not know enough about the evidence base on Antabuse. My impression is that it would only work for a proportion of people because in other forms of addiction usually a range of treatments are needed because not everything suits everybody. We could certainly see what evidence our scientists have on that and write back to the Committee quite promptly.

Q1059 Charlotte Atkins: It would be very useful. Obviously the deaths from liver disease have gone up eight times since 1980 whereas other major organ failure has actually gone down. We are seeing a disproportionate impact on liver disease. How would you account for this if this is not alcohol-related and how is the Department focusing on reducing this epidemic of liver disease?

Sir Liam Donaldson: Most of it is alcohol-related, although there are other factors such as hepatitis and also fatty liver, which is an obesity diet-related problem, but I agree that probably a large part of it is alcohol associated. It comes back to the views on how effective the current strategy is in tackling that end of the spectrum.

Q1060 Charlotte Atkins: Do we have a national liver strategy?
Sir Liam Donaldson: Yes, there is a strategy going to the National Quality Board in the near future on liver; that is my understanding.

Q1061 Charlotte Atkins: We have had an eight times' increase in liver disease since 1980 and we are just now talking about a national liver strategy going to some board.
Sir Liam Donaldson: It comes back to the problem that I have talked about at previous select committees that if you have priorities for services in the NHS not everything can be a priority—heart disease, cancer, diabetes, elderly care, mental health—all of those things have been priorities and each of them has had a national service framework and a strategy. Those strategies work best when they do have a level of a national service framework because then people really listen to them. We did some work on liver disease to develop a strategy on that and it was decided that the National Quality Board, established by Lord Darzi, should consider that and that is where it is going to.

Q1062 Charlotte Atkins: You agreed earlier on that this issue of alcohol abuse was one of the most major public health challenges that we face in this country.
Sir Liam Donaldson: Yes, I did, but not wanting to split hairs, a strategy for liver disease is slightly different to an alcohol-related strategy that brings in other factors as well.

Q1063 Charlotte Atkins: How much of this liver disease would you put down to abuse of alcohol?
Sir Liam Donaldson: I would not want to put a figure on it off the top of my head but it is not the only factor; I think the fatty liver problem is also rising as a concern.

Q1064 Charlotte Atkins: Could you write to us on that because I think we do need to establish how much of this liver disease is directly related to alcohol because obesity can be linked to alcohol. That is another impact of alcohol abuse is of course it does carry with it the risk of obesity as well.
Sir Liam Donaldson: It does but it is the minor cause of obesity. The majority is lack of exercise and overeating.

Q1065 Dr Naysmith: Minister, you began to talk about alcohol services commissioned by PCTs earlier on and I interrupted you and said there would be questions later on, so now is your chance. We have heard witnesses here who have told us that they are not very impressed at all with the current level of services. Why do you think they are so poor?
Gillian Merron: I think they are patchy and that is the truth. We need to do better than that, there is no question about that. I have mentioned the numbers in treatment have increased from 63,000 up to 100,000. That is an improvement and we need to do more. Until last year there was not an indicator for PCTs and I do feel that will drive the kind of change we are all looking for; something like two-thirds of PCTs are prioritised focused on reducing alcohol-related harms, including those with the most difficulty. For me that is heartening. We also have work in place to improve the commissioning of services. Again, it has to happen. Support to PCTs through the Alcohol Improvement Programme means we are giving them seven high impact changes that they can actually make the difference. The truth and simple answer: yes, local services are patchy; yes, we can do better, but I think we have now got the things in place that will allow that to happen. That is something I will particularly focus on as I go around.

Q1066 Dr Taylor: You think it needs more resources.
Gillian Merron: Resources are given to PCTs, and rightly, as they make the local decisions.

Q1067 Dr Taylor: You say that they have the resources; they have just got to use it properly.
Gillian Merron: What I am keen to see is that they use their resources to address the local needs and if that is not happening that obviously needs to change. I know we are not talking specifically about this but that is another push on infertility treatment, for example, which the Committee will know a lot about. We are seeing improvements and it is a question of, with resources, whether you are meeting the needs of your population or not. That is why I used the word I am "heartened" that the PCTs have taken up the challenge.

Q1068 Dr Taylor: Do you have views on brief interventions by primary care professionals and GPs?
Gillian Merron: That is why we have brought in what I described as a tap on the shoulder.

Q1069 Dr Taylor: I did not realise that you were talking about that.
Gillian Merron: When you are engaging with a new patient there is a turnover of something like 10%, so that is quite substantial, we are actually giving incentives to GPs to do that. What I like about that approach is that it is actually people coming to their GPs, we are not seeking them, so it is in the course of the work. We are also seeking the tap on the shoulder at times when people are most open to the possibility of talking.

Q1070 Dr Taylor: How can you assess whether that is of any use at all?
Mr Cavendish: We have a fairly major programme called the SIPS programme in our terminology but it is looking at primary care, looking at accident and emergency, and at probation services at what are the most effective ways of doing this, at what time, who does it and what is the short advice they give. From

memory that is coming back to us in September or October and it will tell us a lot more about what the effective models are.

Q1071 Dr Taylor: You are still really in the research phase.
Mr Cavendish: We are looking to expand it, understand more about it and when we get that evidence back it will be one of our key interventions that we will be promoting.

Q1072 Sandra Gidley: The Government's alcohol strategy is very reliant on educating the public and that is pretty much what the new campaign is all about, but several experts have told us that education is ineffective compared with increased taxation, so why are we relying so heavily on relatively ineffective measures?
Gillian Merron: For me education is a part of it; it is not the only thing. There is no one thing that is going to deal with this problem that we have got before us overall.

Q1073 Sandra Gidley: The experts have told us that it is.
Gillian Merron: They may do but that is not the evidence.

Q1074 Sandra Gidley: So the experts are wrong?
Gillian Merron: I am happy to provide further evidence because we have an independent assessment of the value of education. I think I mentioned earlier that three quarters of the population can recognise the "Know Your Limits" campaign and there has been a shift in people's behaviour. It is true that education on its own is not effective; that is true. Research will tell us that and experts tell us that; that is absolutely fine. It can be effective when it is part of a whole range of things and that is where we are pitching. I would also assure the Committee that we do ensure that we evaluate campaigns very carefully and thoroughly and if there is any further information I am very happy to provide that.

Q1075 Sandra Gidley: The Portman Group and the Drinkaware Trust do actually agree with you but the money given by the industry is not very good. If you think about the money the supermarkets give, given their vast profits, it is really quite pathetic. Does this show a lack of commitment by the industry to tackling this problem?
Gillian Merron: I think there are some in the industry who are funding Drinkaware very much in line with their commitments. It is true that there are others like the major retailers who have not done so. They were not signatories to the original Drinkaware memorandum and for me commitment to Drinkaware is part of the evidence and I would expect all sections of industry to rise to the challenge. I would also emphasise, as I said before, that we need to see more unit and health information at point of sale and in advertising we do need to see that. We are in a voluntary situation at the moment and we will see how well that works. Yes, I would look for more commitment from the industry and I would certainly agree with you on that.

Q1076 Sandra Gidley: We have had an estimation that if everyone drank at the Government's weekly recommended levels the drinks industry would actually lose 38% of its sales. Do you agree with that figure?
Gillian Merron: I cannot respond directly to the estimate in all honesty. I do still feel that we should be encouraging social responsibility amongst the industry. The evidence on the consultation on the mandatory code shows that where we are not responded to positively we will act and that needs to remain a very strong message.

Q1077 Sandra Gidley: Sir Liam, are you familiar with that figure?
Sir Liam Donaldson: I am not but I wonder what practical value it would have because I do not think we would ever get exactly everybody in the population to drink at that level, so I always look at statistics like that and wonder in what way they can influence our thinking. It clearly draws attention to the profitability of the drinks industry but I do not know where we would go with it, even if it is a correct assessment.

Q1078 Sandra Gidley: Does it not show that as the industry has to answer to its shareholder base it really has no interest in reducing alcohol sales?
Sir Liam Donaldson: I suppose that would be true of other industries like the food industry, but over time you can modify their approach by all the measures that we have been talking about today.
Mr Cavendish: We are currently in the process of renegotiating the Drinkaware funding agreement because the memorandum of understanding runs out this year so we are looking for the industry to fund Drinkaware properly through a sustained settlement across the industry and those negotiations are underway at the moment. I did not want you to be unaware that it is happening at the moment.
Gillian Merron: We have the Campaign for Smarter Drinking which was launched today as well which is industry contributing to people drinking more responsibly.

Q1079 Chairman: On that point, Minister, could you tell the Committee when you got to know about the Campaign for Smarter Drinking?
Gillian Merron: I have only been in post for six weeks.

Q1080 Chairman: So how long? Did you know six weeks ago?
Gillian Merron: No, I would not have known six weeks ago.

Q1081 Chairman: Four weeks ago?
Gillian Merron: I cannot remember, I am afraid.

Q1082 Chairman: Two weeks ago?
Gillian Merron: Is there a reason for the question?

Q1083 Chairman: Did you know yesterday?
Gillian Merron: I knew before today, yes.

Q1084 Chairman: Because we did not.
Gillian Merron: I understand.

Q1085 Chairman: We have had all these witnesses in front of us. The press release was sent to me at 9:06 this morning that there is £100 million going to be spent on a campaign to encourage responsible drinking, notwithstanding that we are being told about these campaigns that we have had to encourage responsible drinking by witnesses who are running them and how successful they are, they think, and everything else, we have this one dropped on the plate at nine o'clock this morning to this Committee. Do you think it is a coincidence?
Gillian Merron: It was certainly not an intended one, but I take your point that you should have been made aware. I think it is useful to have champions and people who do support it. I would say that you should have known about it sooner, indeed.

Q1086 Chairman: We were told, Mr Cavendish, that they were working on something called Project 10. Is this Project 10?
Mr Cavendish: Yes, it is.

Q1087 Chairman: The three of us were at the film last night that goes on about the committee that was set up called the Forwarding Planning Committee that was actually the War Committee and I just wondered why this Project 10 was not explained to us in any detail whatsoever but is dropped on the table that this is the next five years about how we are going to get responsible drinking. The cynic inside me has been woken up very much so when I read this email before I even printed it off at 10 minutes past nine this morning. Would the cynic inside you jump up at something like this if you were chairing the Health Committee and were about to have witnesses in about these major issues?
Gillian Merron: I am sorry that the inner cynic has been awoken.

Q1088 Chairman: Very much so. Two Cabinet Members are quoted on it as well and this Committee knew nothing about it.
Gillian Merron: I take that all on board.

Q1089 Chairman: And I should not read too much into this whatsoever?
Gillian Merron: No.
Mr Cavendish: As the official who has been responsible for negotiating these, there is absolutely no connection and I am sorry that the timing has not worked but there has been no connection at all. It has been a complex issue to negotiate and it has taken time to achieve. I do apologise that it has appeared before you late.

Q1090 Chairman: We went over to St Thomas's several months ago now before we agreed to do this inquiry into alcohol. We were looking at information technology in the A&E department supporting the management of patients. One of the things we were shown over there was a 20-bed ward that was called by one of the people showing us round—I do not think they call it this—the poison ward and it is where people go in, normally late at night, who have had too much to drink or too many other substances and are largely picked up off the street and taken in there, effectively found a bed for the night and some of them will get up the next day, say who they are and they will be sent on their way at no cost to them but at a cost to us as taxpayers in terms of use of the National Health Service. People who are victims of road accidents or their insurance companies are sometimes asked to pay money to the National Health Service for the management of them because of these circumstances they find themselves needing treatment in. Do you see there a moral difference between people who go out being wholly irresponsible, drinking beyond excess, collapsing at two o'clock in the morning and found a bed for the night by the National Health Service and not asked to pay a thing to it other than what they do as general taxpayers, do you think that is right?
Gillian Merron: It is something of which I do not have detailed knowledge.

Q1091 Chairman: Nobody has detail about it. Do you think it is right morally that taxpayers should pick up the tab for people's irresponsibility? I am not saying do not treat them or do not look after them—clearly there is a need for that—but do you think it is right that they should get away without having to make a payment where some people would have to make a payment if it is through their insurance companies?
Gillian Merron: I think it would be better for me to look into the detail but I would be very happy to come back to you quickly on this.

Q1092 Chairman: Could you pass me a note on how you feel about it?
Gillian Merron: I will, gladly.

Q1093 Chairman: On that basis, thank you very much. I know it is the first time in your new post that you have been in front of us. I hope you have found it a pleasant occasion.
Gillian Merron: It has been very pleasant and I hope to be invited back again. Thank you.

Thursday 15 October 2009

Members present

Mr Kevin Barron, in the Chair

Charlotte Atkins
Sandra Gidley
Dr Doug Naysmith
Mr Lee Scott
Dr Richard Taylor

Witnesses: **Mr Paul Kelly**, Corporate Affairs Director, ASDA, **Mr Nick Grant**, Head of Legal Services, Sainsbury's, and **Mr Giles Fisher**, Head of Alcohol Buying, Waitrose, gave evidence.

Q1094 Chairman: Good morning, gentlemen. Can I welcome you and thank you for coming along to what is our seventh evidence session on our inquiry into alcohol. I wonder if, for the record, I could ask you to introduce yourselves and the current position that you hold.
Mr Grant: Nick Grant, Chairman, Head of Legal Services, General Counsel at Sainsbury Supermarkets Ltd, board member, trustee of the Drinkaware Trust, industry member, and Chair for the last four years of the Retail of Alcohol Standards Group.
Mr Kelly: Paul Kelly, Corporate Affairs Director, ASDA Stores Ltd.
Mr Fisher: Giles Fisher, Central Buyer for Waitrose. I look after our stance on responsible drinking.

Q1095 Chairman: Thank you and welcome. I have first of all a general question to all of you. What were your sales of alcohol in the UK last year, what percentage of the UK alcohol market does this represent and how has this market share changed over the last 20 years?
Mr Grant: We have had some discussions with your Clerk about giving trade information to the Committee. I am very happy to give the information but I think the Clerk will confirm we are in discussion about how that can be done in a confidential way. I do not want to be obstructive but I think it would be best to give confidential information confidentially.

Q1096 Chairman: I thought that the issue about confidentiality was about the percentage of total sales of your supermarkets from alcohol as opposed to the sales of alcohol in the UK last year, which was my first question, or is it all sensitive, not just how much you sell but what percentage of your sales is alcohol as well?
Mr Grant: I am happy to give an order of magnitude rather than a precise figure. The range would be between £1.5 billion and £2 billion turnover.

Q1097 Chairman: What about it as a percentage of the UK alcohol market? What percentage do supermarket sales represent, or do we not know that?
Mr Fisher: I can speak for Waitrose. As far as the turnover goes, again, we have spoken to the Clerk and we would like to submit some numbers afterwards because we feel that is commercially sensitive. As far as share of the market goes, Waitrose has 4% share of the overall grocery market and we have roughly 4% share of the alcohol market. We have a slightly higher share on wine and a much lower share on beer.
Mr Kelly: Likewise, we have already provided some information to the Clerk in relation to turnover. Our share of the UK grocery market is around 17%. Our alcohol share will be less than that.

Q1098 Chairman: So it is less than—
Mr Kelly: Than our overall share of the grocery market, but we will provide the exact figures to the Clerk.
Mr Grant: As a market share, Chairman, 15% for Sainsbury's.

Q1099 Chairman: And are you prepared to give us the figures individually of what percentage alcohol is of your sales?
Mr Kelly: Again, we have already provided that to the Clerk.

Q1100 Chairman: I think you have. Why do British people drink so much more alcohol than they did 20 years ago, and to what extent is this increase down to the actions of supermarkets?
Mr Grant: I think there are probably conflicting trends in terms of total consumption. The figure I have is that since 2004 there has been a net reduction in alcohol consumption. I think perhaps what might be happening is that the consumption of alcohol is being concentrated in fewer and fewer hands. I know there is a statistic that 7% of the people in this country consume 33% of the alcohol, which does suggest that alcohol is being consumed in fewer and fewer hands, and I think that would be our general observation on the trend, so we do not see a great uptake in total alcohol consumption as a recent trend.
Mr Kelly: I would echo that, and certainly we have seen a 6% decrease in consumption since 2004, but, yes, if you look at the longer term trends, consumption has increased. As Nick says, what we see with 7% of the population being responsible for consumption of 30% of the alcohol suggests that we need to be looking at targeted solutions around that 7% of the population.
Mr Fisher: I would go along with that.

Q1101 Chairman: Do you think there is any cause and effect between what actions supermarkets take in terms of selling alcohol?

Mr Grant: I think there are lots of things the supermarkets can do to improve the situation and there are lots of things that supermarkets are currently doing to improve the situation. Through my chairmanship of the Retail of Alcohol Standards Group I know first hand that over the past three years or so we have taken a number of measures in the industry which I am absolutely convinced have improved the position on the ground. One example would be the move firstly to Think 21 to prevent under-18s buying alcohol, to improve that position, and just this year the industry has moved again to best practice position in Europe, as I understand it, of Think 25. The other main initiative that we have taken through the Retail of Alcohol Standards Group is through the Community Alcohol Partnerships, which I think the Committee has had some evidence about. It is something that I am very passionate about because I have been to the meetings of residents and stores and police and head teachers which establish the parameters and what might be usefully done in a community collaboratively. Starting from St Neot's onwards, which was our first trial two and a half years ago now, I think it is, those are really bearing fruit. There will always be discussions as to how you measure the fruit that they are bearing but we are working on that with the University of Kent as well at the moment. I am very keen and very passionate about it. I have seen it work, I have seen the energy that can be created by communities coming together and looking at the issue that alcohol creates for them, which is very different community by community, which is the other key point, and working out what they need to do and what are the right and proper links to be made between retail and the communities. There are lots of things we can do and there are lots of things we are doing, Chairman.

Mr Kelly: We have seen a shift in where alcohol is consumed which is driven by social and cultural factors. We are seeing a shift away from consumption in the on trade to consumption at home. I think all supermarkets, as Nick said, have programmes in place which look to work with local communities where we are getting very strong feedback, and certainly we took some steps 18 months ago when we said that we were going to go to Challenge 25 in stores where we are going to stop retailing alcohol between midnight and 6.00 am in town centre stores where we can see very clearly that link between purchase and consumption which we do not see during the rest of the trading day. As always, we are willing to play a role in looking at how we come up with targeted solutions that tackle the particular issues, the particular problems.

Mr Fisher: There is definitely a cultural issue around alcohol and the relationship that we have in the United Kingdom with alcohol which is different from some of the other countries across Europe, and that is a key factor in determining how we deal with the issue of problem and harmful drinking going forward. Having said that, we appreciate that as a retailer we have a responsibility to play our part and there is lots that we do which is unique and different in the way that we trade alcohol and the way that we communicate to our customers around the potential health harms of alcohol.

Q1102 Dr Naysmith: Could I just ask Mr Grant a small supplementary question since he talked about having meetings with residents and so on? We understand that in New Zealand local people can have some sort of say stronger than we have in what licensed premises do and whether they have a licence or not. Would you welcome that kind of thing, because sometimes when you go to planning meetings residents say, "There is nothing we can do about it. What can we do about it?".

Mr Grant: I am not aware of the New Zealand situation, I am sorry, but the meetings that I go to really are meetings full of energy trying to identify and get agreements on what the problems may be. What you would then do is work with the grain of the people who are there. When I went to the first such what I call town hall meetings, probably romantically and in a misplaced way but they do have that feel of people getting together with slightly different interests but all living in the same place and trying to find a common solution, I was very surprised at how distant certain elements of the same community were, and this is not to criticise anybody; I think it has just happened—the trade from police, police from residents' groups, schools from health authorities, so on that analysis one of the most powerful things we can do in this country to start to work on problems that alcohol does cause is to start to knit some of those people back together again. As for whether it needs a regulatory change, I would suspect not. I think it needs a bit of passion, a bit of commitment, and for some people in each community stand up and start asking for it.

Q1103 Chairman: I think you said earlier that there has been a decline recently in total per capita alcohol consumption and yet the volume sold by supermarkets has continued to increase. Has the value of your sales—and this is to all three of you—increased or have you had to discount heavily to maintain increases in volume?

Mr Fisher: Our value of sales over the last few years has increased, certainly, and we have been gaining market share as a retailer, so you would expect our value share to grow on alcohol along with other categories. What we do not do is trade alcohol very heavily and offer big bulk discounts on beer. You will not see pallets of beer as you walk into Waitrose. It is not something we have ever done; it is not something that we ever would do, so we have not gained our market share figures of late by trading alcohol very heavily. It has been part of an overall strategy of people coming to Waitrose for things like the Essential Waitrose range.

Mr Kelly: To look into the underlying figures, if you are growing your market share in total, as we have done over the last 18 months to two years, then you will see your share of alcohol sales increase. Our alcohol sales, if you baseline them on an index, would have naturally increased because prices overall across alcohol are running ahead of RPI. To

that extent we are seeing growth in our alcohol sales but it is against growing our market share and against an overall upward pressure, particularly in the last two years, in alcohol pricing.
Mr Grant: I think discounting of alcohol is a product of a fiercely competitive market. We are an industry that has had at least two major sectoral inquiries from the competition authorities and in both cases, in relation to our day-to-day competition, we have come up with a clean bill of health. The prices that we are able to offer customers are partly a response to each other's desire and need to attract more market share, so that is where the prices come from.

Q1104 Chairman: Paul, you said earlier about the increase in off-sales consumption. Do you think that the extent of the rise in supermarket sales has destroyed the traditional pub?
Mr Kelly: I do not think you can isolate any single incident and say that that has been the issue for pubs. I have a lot of sympathy with landlords about the challenges that they face. Their cost of doing business is higher and smoking has had a big impact. I think the drift away from town centres, the strength of Saturday night television, a whole series of factors, home entertainment in general, has done that. When we talk to customers one of the things they say to us is, "We are much more liable to consume at home because we see that as being a safer and more friendly, more relaxed environment", but I do not think you can say it is all the fault of supermarkets. There are lot more complex factors going on underneath that.

Q1105 Chairman: Do you agree with that, Nick?
Mr Grant: I think pubs are very different businesses. Often we are compared in this debate because alcohol is a common feature. If you think about it, buying alcohol from a supermarket is bound to be a different thing from buying it in a pub just in the way that buying a pre-prepared meal in a supermarket is always going to be different from going to a restaurant and having a meal there. In general you are talking about very different business models, price structures, overheads. The whole thing is very different. They are almost different industries linked with a common product.

Q1106 Chairman: Have you got anything to add to that, Giles?
Mr Fisher: We have seen the trend in pubs reflected in town centre restaurants as well and that is a wider consumer trend than simply alcohol.

Q1107 Charlotte Atkins: Moving on to minimum pricing, there has been a Sheffield University study which argued that minimum unit pricing would result in hazardous drinkers drinking less and as a result of that Tesco told us that they supported minimum pricing. What is your view?
Mr Fisher: As far as minimum pricing is concerned, there have been various different levels talked about in regard to so much pence per alcoholic unit. Broadly speaking, I do not think it would have a big impact on our business. Our average price for a bottle of wine is £6.80, so if there are 10 units in a bottle of wine that is 68p a unit, so I do not think it would really affect our business hugely. Having said that, we are not calling for the introduction of a minimum price because we do not think that is the most effective way to deal with harmful drinking. Price is just one part of the problem. As I said earlier, it is a broader cultural issue within the UK which overarches why we have the relationship we have with alcohol in this country when you look at harmful drinkers. If you look at Sweden, for example, where they have high duties and a problem with harmful drinking, or Spain where they have lower duties and fewer problems with it, that says to me that it is a cultural issue, so we are not calling for a minimum price because I do not think that is the sole answer to the problem.

Q1108 Charlotte Atkins: So what would be a better solution?
Mr Fisher: The better solution is education in my opinion, and that is what we have been trying to do through education in store, point of sale material, on our website, our booklets that we produce and put in front of customers. We found from research that we have done that customers do not want to be preached at; that is not the answer, so what we are trying to do is put information in front of them to make them think and if they are concerned they can go away and find out about what the safe levels of alcohol consumption are.

Q1109 Charlotte Atkins: Is that not a much longer term solution and do we have time, given the number of people who are dying from alcohol related diseases?
Mr Fisher: What we are trying to focus on is the most effective solution and I believe that is the most effective solution, changing people's behaviour, changing the culture around education. Part of what we try and do with the ranges that we put together on alcohol is focus on quality. For us selling alcohol is sitting down with a nice bottle of wine. It is a quality experience. It is not about consuming large amounts of alcohol to get drunk.

Q1110 Charlotte Atkins: Mr Kelly?
Mr Kelly: I make a number of points. The first is that the Sheffield study assumes that minimum pricing would result in an overall 2.6% reduction in consumption. We are already seeing a reduction in consumption of 6% and the Home Secretary at the weekend acknowledged that there was a reduction, but we seem contradictorily to be seeing a rise in the impact of alcohol on NHS related costs, so there feels to be a bit of a disconnect there. I am also very aware that minimum pricing is a very blunt tool because it will have the greatest impact on low income families and those on fixed incomes who often buy into promotions and the cheaper forms of alcohol and there is no evidence to link them with harmful levels of drinking, but I think there is another issue about minimum pricing which I think voters will struggle with, which is effectively that that is extra money being taken out of their pocket and

being pocketed by the drinks industry. Not a penny of that will flow through to the Exchequer to put into extra measures like early intervention which we know is under-funded but which has huge impacts in terms of the effect it can have. I think we need a multi-faceted approach, which is the same as the Government has adopted to obesity and which has a greater impact on public health resources than alcohol and does involve education but has also driven the industry to look at reformulation around fat and salt, to look at nutrition labelling and to get the balance right. I would like to see Change for Life, which is the vehicle through which the Government is doing that, extended to include aspects around alcohol as it begins to develop looking at the healthy lifestyles of the adult population.

Q1111 Charlotte Atkins: Mr Grant.

Mr Grant: We are opposed to minimum pricing for alcohol on some of the bases that have already been discussed. We find it an untargeted measure that will at the moment be penalising people on quite low or fixed incomes at a time of economic hardship. Sainsbury's is in a different position from Waitrose, I think Giles would accept, in that our market position is effectively one of universal appeal. That means that we have to appeal to and cater for affluent customers and the much less affluent or pensioners, those on fixed incomes. It is very important that we are free to compete with our competitors in order to offer a constant valuable basket to those people. Sheffield is a respectable academic study. I am not an academic. I do not propose to go into detail and battle against Dr Meier. Plainly there are other reports which I think have been submitted to the Committee, one by the CEBR, which I am aware of, not commissioned by this part of the industry, and the Committee, I think, will feel it necessary to consider in depth the academic-to-academic response on that. In terms of better solutions, while I agree that education is a huge part of this, and that is part of my passion for the work of Drinkaware, that education can change this, some of the KPIs that the Drinkaware Trust have are not tomorrow or next year; they are fairly long term, but there is this ideal, I suppose, that we could aim for which is a culture which is more relaxed, more sensible around alcohol, without distorting the market detrimental to customers in relation to price. France would be the model there perhaps.

Q1112 Charlotte Atkins: We are told that those people who have liver disease drink on average something like 100 units per week. Do you accept that if you were to have a minimum price per unit of something like 50p or 40p that would have a significant impact on heavy drinkers as opposed to the relatively modest drinkers? I am talking about people with relatively low incomes. If you are a modest drinker then the impact, even if you are on a low income, is relatively small whereas if you are talking about drinking something like 100 units a week a minimum price will have a huge impact and therefore is likely to affect the way you decide to purchase alcohol.

Mr Grant: It is part of our scepticism about the conclusions of the Sheffield report that I am not convinced that enough account has been taken in the report of microeconomic behaviour or personal behaviour in response to those, so I am not at all sure the level that you are talking about, and I notice Nick Sheron, my co-trustee at Drinkaware, is in the room. I am certainly not a liver doctor but I guess you are looking at that as the consumption at the level of addiction. At the level of addiction I am not sure what price increase will do and what strategies an individual human would take in order to carry on consumption. I did notice a little while ago that there was a heavily reported seizure of illicit production of vodka in this country. I do not know if the Committee has had evidence from Customs on that side of things, but it seems to me logical that if there is a single gross increase in the price that will naturally incentivise illicit production, and I think it has been the experience in some other countries. I do not know the answer to that question. It seems to me intuitively that people would adopt strategies to avoid that.

Q1113 Charlotte Atkins: Mr Kelly, in the ASDA evidence you suggest that because the Scots drink more than the English alcohol sales are not sensitive to price. Why do you think that? Do you think the laws of supply and demand do not affect the sales of alcohol?

Mr Kelly: I think you have to look at the elasticity of pricing in relation to alcohol, particularly for those who drink to harmful levels. Our concern is that those who drink to harmful levels are unlikely to be impacted by the price rises, that they will simply look to spend less in other areas. Also, if you look at the baskets in which alcohol is bought in supermarkets and then talk about our own case, alcohol-only sales are less than 1% of transactions, so in 99% of transactions where alcohol is bought it is along with food and core staple items; people are buying it as part of the weekly shop. If you look particularly at those who are buying into the lower priced offers, which would be the products which would be most affected by minimum pricing, they are also the people who are buying the value lines of bread and eggs and bacon and coffee and tea, so they would be disproportionately impacted. What we are not seeing, and I do not think Sheffield creates the link between, is harmful drinking and the purchase of that alcohol in supermarkets.

Q1114 Charlotte Atkins: If you are buying something like 100 units a week from your store you would need a pretty big basket to put that in alongside your bacon and eggs.

Mr Kelly: But if you look at the average transaction of the Value lines in our case, small prices, the average basket is around £28, the average basket with alcohol in is around £40 including those other

items, so people are not on that basis buying 100 units of alcohol in those transactions, given that it is part of the weekly shop.

Q1115 Charlotte Atkins: Are you assuming then that those people come in every day to buy a couple of bottles of vodka or whatever it is?
Mr Kelly: If you look at our business versus some of our competitors', we do not have a convenience store/corner shop type of offer; it is the larger supermarket, people come there to do the weekly shop. We lose out and under-index on people doing top-up shops in our stores. People come to ASDA to do the whole shop and be able to buy everything under the one roof.

Q1116 Charlotte Atkins: Why do you think, from your research, the Scots drink more than the English?
Mr Kelly: It is not just our research; it is the Scottish Government's own conclusion that alcohol consumption in Scotland is higher. We do not believe that minimum pricing will solve the issues that the Scottish Executive want solved. We think again it is a multi-faceted approach, and already Scotland has taken some action that was introduced on 1 September right across the on and off trade and we need to see whether that is going to have an impact as it may well begin to address some of these issues without the need to look into pricing.

Q1117 Dr Naysmith: Mr Kelly, there are a couple of things that you have been saying that I want to take up with you. One is this idea that alcohol is less price sensitive than other products, which is what you seem to be saying. There is no doubt, for instance, that there is a clear relationship with tobacco pricing and the consumption of tobacco. I know tobacco is not the same as alcohol but there is lots of evidence that price increases do stop people purchasing. Are you suggesting that the Sheffield study is wrong and, if so, what is your evidence?
Mr Kelly: If you look at the Sheffield study, the Sheffield study talks about the impact on moderate drinkers being a matter of pence per week but it is based on the assumption that a moderate drinker is five units. When we talked to customers they expressed some surprise at that. They see moderate drinking as being within the Government's guidelines.

Q1118 Dr Naysmith: Then it would be 22p a week.
Mr Kelly: In our case it is the equivalent of about 68p a year, so it goes above a pound a week for those who are dinking around the Government's guidelines. The evidence to us would seem to suggest that if you look at minimum pricing it would make a pint of beer round about a pound at 50p a year. Is that going to make a huge change? There certainly comes a point at which you can set a minimum price that will change consumption but that is going to have serious impacts on those who drink moderately and it seems to me that what that would be doing is taxing responsible, hard-working families in order to address the issues of a small part of the population. It comes back to what is a sensible price. Stop me when you think it is right. Is it £3 a pint, £4, £5, £6?

Q1119 Dr Naysmith: You said—and I cannot remember your actual words—that the average basket is more than £40 if it includes alcohol in the basket.
Mr Kelly: That is an average basket spend.

Q1120 Dr Naysmith: So you are saying that an increase of 68p (although that is not what the Sheffield study would say for the recommended drinking level, which is something like 14 units a week, is it not), so if 11p was the increase, that would be under 30, but even if we accept your figures this is not going to make a huge difference in terms of the cost but it will make a difference in the effect it has on alcohol.
Mr Kelly: But I think what we are all saying is that we are sceptical that for those who are drinking at a harmful level, at 100 units a week, it is going to have the kind of effect that Sheffield predicts. It seems again in fact that this is a very blunt tool. This is taxing hard-working families to deal with instances of a very few people and again it is a stealth tax that does not find its way into the Treasury but finds its way into the pockets of the drinks industry. How can that be right?

Q1121 Dr Naysmith: It would not be a tax then, would it?
Mr Kelly: The price would be being set by the Government.

Q1122 Dr Naysmith: It does not go to the Exchequer.
Mr Kelly: That is how they will see it, but when they see that it is going into the pockets of the drinks industry how can that be right?

Q1123 Dr Naysmith: So is 11p unacceptable? That is basically what you are saying?
Mr Kelly: I think we are saying that minimum pricing and pricing are not the silver bullet which it has often been made out to be. We want to see it as a multi-faceted approach because it is about rebalancing the whole of the relationship with alcohol.

Q1124 Dr Naysmith: The other thing you have been saying, and the others have agreed with you, is that education is the way to deal with this and to change culture. I would say that the Portman Group has been trying to do that for a number of years without marked success. Secondly, you mentioned obesity and it is quite true that it is education and a multi-faceted approach but there is not a lot of evidence yet that it is having any effect on the obesity rates in this country since we started doing that, so what makes you think it will work now with alcohol, given that it has been tried for a while and it is not working very well in any other area?
Mr Kelly: I think we have got to step back and re-evaluate have we got the messages right about educating people around alcohol. Is the consistency

in that messaging right? Is it prominent enough? Putting it into a greater context, I think there are a lot of confusing messages for consumers out there about what the messages are and getting some clarity around that, having a joined-up approach right across the drinks industry, because I think it is not just to do with the messaging in the off-trade; it is also to do with messaging in the on-trade, and the measures that retailers are already putting in place, the proposals in relation to the mandatory code, what we have already seen come into effect in Scotland—this is at the early stage of making those changes. I just do not believe that if you focus on price alone it is going to have the desired effect.

Q1125 Dr Naysmith: I do not think anyone is suggesting we focus on price alone; it would be one tool in the whole set of tools that would be needed to control this serious social problem that we have got which supermarkets are contributing to. You keep saying that you want to improve things but nothing much is happening.
Mr Kelly: I think we come back to the fact that the evidence base that it is supermarket pricing that is driving the increases now against a declining background on consumption is unclear.

Q1126 Dr Naysmith: I do not think anyone is saying it is the only thing at all. There are clearly multi facets to this problem, but it could be one part of our strategy to reduce the amount of heavy drinking that goes on, but you still think that it is not something you want to be part of?
Mr Kelly: We want to be part of finding solutions to these issues. We cannot deny the statistics, but we are not convinced that price is the overall contributing factor and that setting a minimum price, particularly at the levels that have been talked about, will target and change the behaviours of those who are the heaviest harmful drinkers.

Q1127 Dr Naysmith: Does anybody else want to add to that?
Mr Fisher: I do not think it is fair to tar supermarkets per se all with the same brush. We are different in the way we are operating. We are different in the way that we are owned. We are part of the John Lewis Partnership. We are one of the largest co-owned businesses in the world. We do not have shareholders, we are not answerable to the City. We do not have to trace market share and do things because we are worried about what goes on in the City. We have got a written constitution which I think is fairly unique, and one of the tenets of our constitution is that we have a responsibility to the wellbeing of the communities in which we trade and that governs what we do on alcohol. The education point is absolutely the core of what we believe and the way in which we retail alcohol in conjunction with decisions that we make about the price at which we sell alcohol. I do not want you to think that firstly all supermarkets behave the same way and, secondly, that we are not concerned. We are concerned.

Q1128 Dr Naysmith: I think we are all aware of Waitrose.
Mr Fisher: What we are trying to achieve is the most—

Q1129 Dr Naysmith: Let me ask you something else. There is a quite a lot of evidence accumulating now that young people and sometimes under-age young people—and of course you will say that nobody under age ever buys anything in your store—nowadays tank up on cheap alcohol bought from supermarkets before they go out to pubs and clubs where they would have to pay for more expensive drinks. Is that not something that you are aware of and is it not something that you are contributing to by selling cheaper alcohol than pubs and clubs are?
Mr Fisher: I do not think that selling alcohol at the same price as pubs is something which any of us would consider or is necessarily the right way forward. Certainly when it comes to younger people we have very stringent rules. We spend an awful lot of money on training around not selling alcohol to younger people. We employ companies to come in and do test purchases and all of our statistics internally show that that has been very effective and it is improving.

Q1130 Charlotte Atkins: But even if it is not under-age drinkers there are still university students who drink at home before going out to clubs, and they drink because they can get alcohol cheaper and then just top up with one or two drinks in the club when they get there.
Mr Fisher: Yes, but it is all to do with the culture around drinking and people's relationship with it. That is a broad problem that is industry-wide. I cannot help but get back to the fact that surely if we educate people and steer them towards some of the messages that the Drinkaware Trust and others we have been working with to try and put in front of people that would change behaviour. Once people are genuinely concerned about the level of alcohol they are consuming that will change behaviour.

Q1131 Dr Naysmith: Mr Grant, do you have anything to add?
Mr Grant: Our view would be that the number of people that buy alcohol only with the intention of getting very drunk or drunk before they go out for a night from Sainsbury's would be a very small percentage indeed. I do not know how price sensitive they would be on a once or twice a week basis. It occurs to me, in terms of what is the argument for taking such a radical market-distorting step as minimum pricing, that the argument against that is plainly that one should really have exhausted all other opportunities to enforce existing regulation. It seems to me that one of the most under-enforced pieces of law we have in this country is the prohibition on selling alcohol to an intoxicated person, which cuts directly to the pre-loading issue. I have never been able to understand why the enforcement line should not be drawn at serving people in the bars and pubs who are intoxicated. In looking back through previous sessions of this

Committee, I did see there was a very shocking median number of consumption in a pub or a bar which I worked out to be roughly eight pints. It seems to me that we should start with enforcing that and how many lives and how much police time would be saved if we enforced that piece of law.
Dr Naysmith: That is the message that we got as well from the session you are talking about. Thank you.

Q1132 Chairman: Paul, are you saying that alcohol is not price sensitive?
Mr Kelly: If you look across the range of products people will simply switch out of one product to another if it goes above what they are willing to spend.

Q1133 Chairman: So it is price sensitive?
Mr Kelly: Products are price sensitive. I am not convinced that alcohol pricing is price sensitive per se.

Q1134 Chairman: I find that very difficult to accept, even in part, on the basis of how supermarkets—and I am not saying yours particularly—discount it and how price promotions in our supermarkets are. If you walk in now you will trip over a three-for-two offer in most of mine. It must be price sensitive, must it not?
Mr Kelly: As we have all said, we are in a highly competitive market and customers like promotions. That is the reality.

Q1135 Chairman: That is, the price changes?
Mr Kelly: They will switch between brands of alcohol as they will switch between brands of supermarket.

Q1136 Mr Scott: Mr Kelly, you said that minimum pricing would be a stealth tax and would give money to the drinks industry, so are you saying that ASDA would not keep any of the profits themselves but pass it all onto the suppliers?
Mr Kelly: Certainly the suppliers would want to claw some of that back.

Q1137 Mr Scott: No, that was not my question. If it is a stealth tax it is not going to the Treasury, as we have heard, so would ASDA not keep a percentage of that profit?
Mr Kelly: Why would it be right for us to make additional profit out of selling our product that we are only selling legally and are currently selling profitably and just pocket it?

Q1138 Mr Scott: That was not my question. Just for clarity, would ASDA keep a percentage of that profit if it was the law? If minimum pricing came in would ASDA keep a percentage of that profit or would everything go to the drinks industry, as you indicated?
Mr Kelly: I was including us in the drinks industry. I was making a comment about those who make and sell alcohol.

Q1139 Mr Scott: Sorry; I thought you were being philanthropic.
Mr Kelly: No.

Q1140 Mr Scott: How do you think your own brand alcohol sales would be affected by minimum pricing, Mr Grant?
Mr Grant: We have a tiering system in store which reflects our drive to have universal appeal, which I mentioned before. We have what we call good, better, best in terms of quality and price. Probably what would happen is that you would find the Basics product would disappear, so if you made a bottle of, let us say, Basics whisky at the price levels we are talking about per unit I think that would then start to look like the price of any of the brands, so probably what would happen is that that whole tier would disappear and there would be a concentration around the middle pricing.

Q1141 Mr Scott: Mr Kelly, would you agree with that?
Mr Kelly: I think that is a reasonable assumption but what you have also got to bear in mind are some of the unintended consequences in that it will disproportionately affect those on low or fixed incomes, but in the own brand sector, as has already been identified in buying Scotch whisky in Scotland, the impact on jobs for those who make own label products will be quite considerable.

Q1142 Dr Naysmith: Mr Fisher, is it less applicable to you?
Mr Fisher: It is a similar situation to that that Nick has outlined for Sainsbury's in that there is a tier at the bottom which, depending where the price was, may go from the range. Broadly speaking, the average spend across our alcohol categories and at the level of alcohol per unit that that equates to and what has been talked about in the Sheffield report and various other areas would not impact our business hugely. There has been a change in our structure over the last few years. We have taken out our cheapest gin, we have taken out our cheapest vodka, but we have done that on quality grounds.

Q1143 Mr Scott: When you say "taken out", they are just not sold any more?
Mr Fisher: We just do not sell it; we have just taken lines out, but we have done that on quality grounds. That is what has driven it, because we were not happy with the quality of what was in the bottle. Similarly, we have introduced the Essential Waitrose range.

Q1144 Mr Scott: Does that include alcohol?
Mr Fisher: No. As I was going to say, it has been very successful. A lot of people have bought into it, but we made a conscious decision not to include any alcohol, so there is no Essential gin or Essential wine because essentially alcohol is not essential.

Q1145 Mr Scott: I think I follow that! Thank you.
Mr Grant: I think it is important to remember that in terms of the experience of a customer in a store like Sainsbury's, people will fill up their basket, or hopefully their trolley, with a whole range and mix of goods, so what we find is that, particularly at hard times, people will shop the Basics range for some things, let us take typically basic ingredients for cooking. In hard times they will make more of their own food at home, which is a good thing, and they will buy onions and carrots and potatoes in the Basics line. They will go along and, who knows, they might find something they have a particular liking for and they will pay that bit more for in our Taste the Difference range. Customers are very canny and they swap the ranges that they buy from, which means that if the Basics whisky were to disappear under minimum pricing it does not follow in my view that you only therefore eliminate the problem drinkers. You cannot have a direct read-across that people who are abusing alcohol are the ones are buying the cheap alcohol. People on fixed incomes, pensioners, people on low incomes will shop that perfectly responsibly as perfectly responsible consumers of alcohol.

Q1146 Dr Taylor: We have done minimum pricing, we are very aware of the importance of cultural issues and education. Now I want to come on to tax. Each of you, do you think that levels of alcohol taxation are too, too low or about right?
Mr Grant: It is difficult to say, again, whether it is too high or about right. There are, I would say, some anomalies in our system of applying duty to alcohol. I think it is always worth reviewing how that works to incentivise certain types of products or maybe disincentivise the production of certain types of products. For example, cider is often quoted as the weapon of choice for harm for people. Historically it has had very low taxation, so, who knows, there may be a conversation the Government could have involving industry to work out what the right incentives would be to change some of that. Plainly, as soon as you talk about increasing the duty on something like cider you are then into a very different conversation in social terms about how cider is produced and the craft industries and all the other stuff that I think you have probably had representations to this Committee on. Our own view is that it is a much more flexible way of targeting certain types of products, and if industry is involved in that it can be a way forward perhaps.

Q1147 Dr Taylor: So a flexible way, thank you.
Mr Kelly: I would echo what Nick has said. Clearly, we are going to see, and the Chancellor has already announced, that duty rises are going to be ahead of RPI and clearly at the moment have been very low. I think if policy makers want to tackle the pricing of alcohol duty is a more flexible tool than a blanket approach on minimum pricing because, as Nick says, it does allow you to target a particular product, but increasing the tax burden for hard-working families at a time of economic difficulty becomes something of an issue.
Mr Fisher: I go along with what has been said so far. You can see across the whole of Europe that duty is different in different countries. People have different relationships with alcohol in those countries and it is not true to say that higher duty levels equals less harmful drinking. In the context of addressing harmful drinking duty is a blunt tool but, as Nick says, there are anomalies in the system and that is something that probably should be reviewed.

Q1148 Dr Taylor: We have just had a few days in Paris, of all places, to look at this subject. One thing that came across very clearly was that alcopops have not got a hold in France because tax was put up tremendously and specifically on alcopops alone. We have also learned that France and the wine-drinking countries are among those with the lowest death rates from alcohol liver disease and, obviously, in France wine is taxed extremely low. It brings us back to the culture issues. Any comments?
Mr Kelly: I think if you look at the HMRC's own consumption figures and just take flavoured alcoholic beverages, they are down 22.4% in terms of consumption, and certainly as a business 18 months ago we took the decision to de-list some of those fruit-flavoured products because we felt this was something we were not comfortable selling.

Q1149 Dr Taylor: When you say "de-list" you mean take it off your list?
Mr Kelly: We stopped selling them, yes.

Q1150 Dr Taylor: Did that include some of the alcopop-type drinks?
Mr Kelly: Yes, it did. Some of those drinks generically referred to as alcopops were some of those that we de-listed, fruit shooters, small, highly concentrated bursts of alcohol, which we said we were uncomfortable selling.

Q1151 Dr Taylor: Waitrose—I should not think you sell those.
Mr Fisher: The ready-to-drink segment for us is slightly different in that it tends to be gin and tonic in a can and Pimm's ready-mix.

Q1152 Dr Taylor: Is that one of your Essential range?
Mr Fisher: No, it is not.
Mr Grant: I think there is potentially something in that. One could foresee a way in which duty was measured around the sweetness of particular types of products which might otherwise appeal to young people. I am reliably informed that young people need sweet things and that is what attracts them and as you get older you lose that need for it. It has not happened in my case, but it might be that that would target young people in a way which was quite sensible, to track the duty around some of the sweetening content.

Q1153 Dr Taylor: Thanks. We have been told that if duty on whisky had been linked to the RPI since 1947 it would amount to something like £30 a bottle

now. Do you think duty on spirits is ridiculously low, or is that something that we should be recommending is targeted?
Mr Grant: We are retailers; we are not tax experts. That is a decision for policy makers and there are clearly a number of other factors within that.

Q1154 Dr Taylor: But overall you feel that taxation is a more flexible way of tackling this than minimum pricing?
Mr Grant: Its advantage is that you could target certain types of drinks that appealed to certain types of people.

Q1155 Sandra Gidley: Why do supermarkets sell alcohol at below the cost of the duty that is on it from time to time as a loss leader?
Mr Kelly: As we said earlier, we are in a highly competitive market competing for customers and we will sell sometimes loss leaders across a whole range.

Q1156 Sandra Gidley: Do you think it is right to do this with alcohol though? Do you think it is socially responsible?
Mr Kelly: We are in a highly competitive market. There is nothing that currently stops the floor continuing to fall away. There is a legitimate question there for policy makers about whether instruments need to be brought in to stop that happening.
Mr Fisher: It is not something that we make a habit of doing. We have done it twice in the last year. The first instance was on a half-price champagne promotion and the second was part of an overall offer on six bottles of wine where you saved 25% and that meant that some of our first-growth clarets were sold at below cost, but I do not think either champagne or first-growth clarets are really where the problem lies with this.

Q1157 Sandra Gidley: It would not be the same thing.
Mr Fisher: As I said before, we do not sell three cases of beer on a deal. We do not put pallets of beer at the front of the shop. We do not sell things like that below cost because we are uncomfortable with it.
Mr Grant: We do not sell below one definition of cost, which is duty plus VAT, except if there is a shelf of damaged goods or something which we just need to move, a very tiny percentage. We do sell below another definition of cost, but again very rarely.

Q1158 Sandra Gidley: What prompted that decision? Was it a commercial decision, because we keep being told that it is a competitive, commercial environment?
Mr Grant: It would be an entirely commercial response to the market.

Q1159 Sandra Gidley: So you do not feel the need to slash things as much as ASDA then, because from ASDA we have just heard that it is a commercial environment and that is why it is okay to do it?
Mr Grant: It is slightly circular, I guess, but we remain competitive so that we offer a universal appeal. We are not in Waitrose's position of being able to price to a very precise type of customer. We do have to cater for everyone from low, fixed income to the wealthy, and that is our mission as a commercial organisation, which means that we do have to very closely monitor what is happening in the market and make sure we remain competitive.

Q1160 Chairman: Do not the answers that you have just given undermine the issue of using taxation as a means of any form of health policy around alcohol?
Mr Fisher: It is a problem. Tax gets set at a certain level and people are prepared to sell below that level. That is a problem, undoubtedly. We do not do that.

Q1161 Chairman: You do not do that but you have done it on one occasion before?
Mr Fisher: We have sold below cost price. We have not sold below VAT plus duty. We have sold below cost price on a half-price champagne promotion last Christmas, but it is not something that we regularly do on pallets of beer or anything else.

Q1162 Chairman: No, but you could do it if you chose. Do you think it undermines using taxation on alcohol as a means of protecting public health?
Mr Kelly: I think what I said in my answer was that I think it is the sort of thing that the Government might want to consider, bringing in instruments to prevent people selling below the cost of duty plus VAT as a simple definition of below cost selling. Above that I think it gets difficult because our costs of doing business will all vary.

Q1163 Dr Naysmith: If we can return to the Sheffield University studies of Dr Meier, who came in and told us that if drinkers were to keep to the Government's recommended guidelines alcohol sales would fall by 40%, do you think that would be a reasonable thing to say or do you dispute these figures? I know we are talking about commercially sensitive data, but it would be a big drop, I am sure you would all agree with that, because we are talking about 14 or 21 units a week for female and male.
Mr Kelly: It comes back to what we have said previously, 7% of the population for 30% of the alcohol consumption, and it seems to me that that is where we need to be targeting the action, not necessarily taking whole population approaches.

Q1164 Dr Naysmith: Yes, but what it does mean is that the commercial interest of your company is to encourage people to drink more than the Government's recommended guidelines, surely.
Mr Fisher: No, that is absolutely not the case for us.

Q1165 Dr Naysmith: Why it is not the case?
Mr Fisher: Because it is all about quality for us. When we promote wine, for example, we tend to find people spend exactly the same amount; they just buy better quality wine. It is all about trading up through quality for us and that is what determines the way that we select our products.

Q1166 Dr Naysmith: That comes to some interesting questions that will probably come in later on about the strength of wines. Mr Kelly, how about you on the question of commercial interest, that you sell as much alcohol as you can?
Mr Kelly: We would not encourage people to drink more than the recommended number of units per week. I think there is a balance to be struck here between corporate responsibility and personal responsibility. Without that balance corporate responsibility will not work. We are, all of us, very happy to give more messages, improve the quality of information, but personal responsibility is an important part of this, which is why only the education argument, the multi-faceted approach, will work. You seem to look at it that it is about the supermarket or it is abut the drinks industry and somehow taking action there and not about tackling issues about personal responsibility that drive people to over-consume. We would not encourage people to drink more than the recommended units per week.

Q1167 Dr Naysmith: Do you have any objections to the more stringent prohibitions that have been brought in by various governments to control smoking, which clearly is a product which makes people ill but exactly the same arguments apply?
Mr Kelly: I think there is a difference. It is seen that one cigarette smoked is going to do harm; there is no evidence that suggests that one glass of wine, 14 or 21 units of alcohol a week is going to do harm. I think there is a difference between the two products.

Q1168 Dr Naysmith: There is a little bit of doubt about these figures but, certainly, consuming more than 21 units regularly for most people would be harmful. If we cannot control this by education, cultural changes, and so on, would we be right to try and control it by more stringent measures?
Mr Kelly: If those who consume harmfully do not respond, then that would be an issue that policy makers would have to look at.

Q1169 Dr Naysmith: Do you have anything to add, Mr Grant, to this question of the contribution of alcohol to your profits and, therefore, you have to push it hard?
Mr Grant: Again, on the theme of things we should do more of and better that we currently have in view, I think there is still a long way to go in very basic alcohol unit education for people. I think that people are not really as aware as they should be, by a long way, of what they are actually consuming when they share a bottle of wine with their spouse, I do not think they have that heightened sense, and I think you can achieve that heightened sense very effectively. I think all supermarkets are starting to look at different initiatives from the point of sale, education and information for customers in the various aisles. Our particular one is very much to lean on the units and give examples of what the units are in what. I think for me that is the thing to try first.
Chairman: Let us move on to Charlotte.

Q1170 Charlotte Atkins: Mr Grant, in your submission you state, "We do not believe that increased purchasing of alcohol directly impacts on increased excess consumption." Could you explain that to me a bit more, because they are not drinking it? If they are not drinking the alcohol, what are they doing with it?
Mr Grant: When they buy on promotion?

Q1171 Charlotte Atkins: Buying it on promotion or where you have any increased purchasing, one assumes that you have increased consumption. Are you saying that the two are not linked?
Mr Grant: This is not a pub, so people are buying it for some other purpose. They have, let us assume, at least to get into the car, put it in the car and get home in a way that they obviously would not be incentivised to drink immediately in a pub; so there is a very different set of decisions, I think, which go on in relation to the consumption. Our evidence suggests that when people buy into a promotion, they normally buy in just at the level they need to get the promotion—they do not buy van loads but they do tend to buy in—and then you will see a decline in the next period of time. I forget the exact figures but, I think, in the next month, if asked, people will say, "My consumption in that month has not changed." So people are very canny. They buy into a promotion, they switch brand maybe because of that promotional offer, they take it and then they store it and they use it over a period of time.

Q1172 Charlotte Atkins: That certainly would not be the case if the promotion is perhaps linked to the World Cup or something like that. One assumes that if it is linked to a big sporting event which people are going to be watching on television possibly in a social situation, they will be drinking a large amount during those particular games as part of the experience of watching football.
Mr Grant: Certainly there are particular cultural events in the country which do drive the demand for alcohol. There is no question about that. I think, with the advertising codes we have, we are always trying to present alcohol as something to be shared in groups, not for an individual to drink on their own, for the social situation. There is quite a lot of regulation and codes around that. I would be of the view that if people take alcohol away and have friends around for an event, then it is a perfectly legitimate thing for them to do.

Q1173 Charlotte Atkins: Obviously you do research into how your customers drink. In a normal session how many units would you suggest they would normally drink? Would it be more than four units at a go?
Mr Grant: I do not think we would have that information.

Q1174 Charlotte Atkins: What about Mr Fisher and Mr Kelly? Is your view that increased buying of alcohol on promotion differs? Mr Fisher, you do not do these sorts of promotions, but, Mr Kelly, where you have promotions, do you see a read-through to

increased consumption or are you with Mr Grant, saying that actually people buy when the alcohol is on promotion and then spread their consumption over the subsequent weeks?
Mr Kelly: We have recently conducted some research with customers on that very issue and 35% buy it and consume over time, half buy it to either share with family and friends or to save it for a social occasion, which might be something like watching the World Cup. So the very vast majority of customers are buying in to consume over time, and we see the same patterns in sales that Nick has referred to, which is people will buy into the promotion and then you see a fall-off in subsequent weeks in terms of alcohol sales.

Q1175 Charlotte Atkins: In that case, your promotions are self-defeating, in the sense that you get them into the store for the promotion and after that the sales go down.
Mr Kelly: Different promotions attract different customers.
Mr Fisher: I think that is something which is similar in our business as well. We do run promotions. We do not make a habit of selling alcohol below cost was the point I was trying to make, but certainly if we run an offer on, say, a six bottle purchase of wine for a period of time, we will see sales go up during that week, obviously, and then we see that two or three weeks afterwards the sales are down. The purpose of running the promotion for us is not necessarily self-defeating, it is to bring people into Waitrose who might buy their wine perhaps in one of our competitors. That is why we promote and that is why suppliers will promote, to try and switch people between brands.
Charlotte Atkins: I think there are going to be some more questions on promotions later on, so I will leave it there. Thank you.

Q1176 Chairman: What do you think about the data that is on the Department of Health's website that says that 75% of alcohol turnover is consumed by hazardous and harmful consumers. You do not have a view?
Mr Fisher: It is not something I am aware of.
Mr Kelly: Kelly: It is not something we have heard.
Chairman: Perhaps you could have a look at the website and write to us on that.

Q1177 Dr Taylor: I think most of us would have a bit of a personal interest in this question, because as MPs we do not want to be caught drink-driving in our own patches particularly, or anywhere! Weaker wines and beers: what are you doing to encourage people to drink these? Are there any palatable low alcohol wines and beers. I think I am going to look at Waitrose first. Do you promote any low alcohol wines and are any drinkable?
Mr Fisher: Yes, they are drinkable. We have several low alcohol beers. We have increased the range over the last couple of years and we have promoted those at times as well. We sell a lot of lower alcohol wines which are naturally lower in alcohol, perhaps from Northern Germany or English wines which will come in at around about 9-10% ABV because of the way they are made, but it is not a huge slice of our business. We do sell an awful lot of English wine, which tends to be lower in alcohol just because of the climate.

Q1178 Sandra Gidley: I have to confess to being a Waitrose shopper—I represent a Hampshire constituency, so you might expect little else, and actually it is the only supermarket in my constituency—but I have never noticed any attention being drawn to the fact that products are low alcohol. I have occasionally seen a bottle of weight watchers' wine tucked away. Have you never thought of highlighting the products?
Mr Fisher: With the beer we do put them all in one place and we do mention on the ticket they are lower alcohol.

Q1179 Sandra Gidley: The beer, yes.
Mr Fisher: The wine will sit in its region that it comes from, apart from the reduced alcohol wines which until very recently have only come in from California, but my understanding is the EU legislation has changed recently and the industry can de-alcoholise wines, which previously they could not. As that develops I am sure that a lot of manufacturers will produce wines which are de-alcoholised and then we can make more of a play of it, but, as I said before, the driving factor for us is quality and, if we list a wine that it is lower in alcohol naturally, it is because it is a good quality wine.

Q1180 Sandra Gidley: How would a consumer, without getting every bottle off the shelf, know which was the low alcohol wine? If somebody thought, "I am going to reduce my drink consumption a bit. I am going to actively try out some of these products that are low in alcohol", it would be almost impossible: you would have to spend a couple of hours going through the shelves. I think most of them are on the bottom shelf as well.
Mr Fisher: In our stores the de-alcoholised wines are in one place. We do highlight it on the ticket. Also, out of our 216 stores, we employ 256 wine specialists, who are trained in the world of wine. So in every branch there is at least one person.

Q1181 Sandra Gidley: If you can find them when you go in on a Sunday!
Mr Fisher: They are usually there in Romsey.

Q1182 Dr Taylor: What do Asda and Sainsbury do about the lower alcohol wines and beers?
Mr Grant: I think there is a slight problem with marketing communications around lower alcohol wine. I am told that to be wine (and Giles will stop me if I get this wrong) it has to be between 8.5-15% strength, and then to be low alcohol (and you are allowed to say this is low alcohol) it has got to be below 1.2%, which is a fairly special market of wine at that level of strength. So in between, and this maybe what Giles talks about in terms of de-alcoholising, you cannot call it lower alcohol. It is quite rigid. So in terms of marketing

communications and innovation in that area, I would say that is probably a bit of a restriction. Plainly, if you want low alcohol, there is a part of an aisle in Sainsbury which has bottles of low alcohol, and if you want towards the lower end of the range of wine you would have to look through to find the 10%, I accept that. In between those categories, I think it is very difficult to find a marketing communication which is permissible with the vested interest of the European wine producers. I am told that there is a general trend, which is hopeful, in terms of strength, towards lighter, fresher, crisper: the lower range of the wine definitions. The trend is away from the 14%s towards the 12%s. So that is an optimistic trend and people are choosing that for themselves.

Q1183 Dr Taylor: Did you say you do have the weaker things on separate shelves?
Mr Grant: I do not know if it is a separate shelf. It will be on a shelf in the aisle. It will be clearly marked, I am sure.

Q1184 Dr Taylor: Would there be a possibility of putting them together so that if a customer was looking at one particular rack they would know those were all lower alcohol?
Mr Grant: I think that probably is the case. I do not think the low alcohol, which is the one under 1.2%, will be mixed in with the ordinary wines. I would be surprised if that was the case. It would not seem the right way to merchandise to me.

Q1185 Dr Taylor: Would all of your stores have some of these low alcohol products?
Mr Grant: I do not know the answer to that. I can supply the answer to that; I do not know.

Q1186 Dr Taylor: Asda.
Mr Kelly: I would echo a lot of what Nick has said. Certainly you would find low alcohol products in Asda stores grouped together. It is more difficult to find the lower alcohol products because of the way in which it is merchandised and the way in which we can use point of sale to communicate with customers, and it is clearly an area which could be looked at. We do work with suppliers to look at innovation in terms of producing more low alcohol and lower alcohol products.

Q1187 Dr Taylor: So it is something you are looking at and you would be prepared to promote?
Mr Kelly: Absolutely. We will always give people choice. I think one of the barriers we have to overcome for customers, and certainly it is a barrier for a lot of customers, is the palatability, because in the past those products were not great. There has been a lot of improvement, but we have to get over that hurdle.

Q1188 Dr Taylor: How are promotions of the non-alcoholic exotic drinks? I came across elderflower and pomegranate cordial the other day, which was actually superb. How are promotions of those sorts of things going?
Mr Fisher: They are going very well. We promote those both on their home site and in other places around the store and we sell an awful lot of elderflower pressé.

Q1189 Dr Taylor: What about Sainsbury and Asda?
Mr Grant: I am not aware that we do a lot of that, but hearing that it is a successful market place, I am sure there will be one in your local Sainsbury's, Dr Taylor, tomorrow.

Q1190 Dr Taylor: I have to admit my wife is a Sainsbury shopper.
Mr Grant: Well done. Quite right too.
Mr Scott: Do we all have to declare where we shop!

Q1191 Dr Naysmith: This is a very interesting area, this question of lower alcohol wines, because there is a big difference between wines that are approaching the 15% mark, because they can be from 11, 12, 13, 14, and then the ones that have been de-alcoholised, which come under really low alcohol wines which, as you have pointed out, Mr Grant, are in a different category altogether. You mentioned the trend towards crisper and lower alcohol content, but that is reversing a trend, if it is true, that has been going the other way for the past few years with strengths getting stronger and stronger, and that raises a number of questions. It is possible under EU law, for instance, to have a lower rate of tax on beer that is less than 2.8%. Do any of you think there would be much demand for a weaker beer of this kind if it was to be on sale? It is not de-alcoholised, low alcohol beer, it is just brewed to a low alcohol strength, as some British beers were for a long time.
Mr Fisher: Some beer manufacturers have that view because they are producing those products, they are developing those products and they have all come onto the market fairly recently. Some of those have worked, some of those have been less successful, but ultimately the determining factor whether something stays in the market will be whether people want to buy it, it will be the quality of it and then there is something there around the way the product is branded as well which appeals to consumers. *Per se* there is no reason why it should not be successful as long as the quality of the product is good enough.

Q1192 Dr Naysmith: If the tax was taken off it and the quality was good enough, do you reckon you would be able to sell it?
Mr Fisher: The tax is—

Q1193 Dr Naysmith: I am saying you could get the tax off it if it was less than 2.8% alcohol content beer. The EU would allow us to have a lower rate of tax on beer that was under 2.8%.
Mr Fisher: Yes.

Q1194 Dr Naysmith: If it was then combined with good quality, because you have always got to have good quality—

Mr Fisher: Yes, exactly.

Q1195 Dr Naysmith: —and a lower price, it would sell?
Mr Fisher: The quality would be the key, but certainly in regards to wine, we have been asking for a long time that the Government should speak to the EU and enable this de-alcoholised wine within the EU, because historically it has not been allowed, and now the rules have been changed.

Q1196 Dr Naysmith: I wish you would not talk about de-alcoholised wine meaning instead of stuff that you sell and are prepared to sell, because you would not de-alcoholise *premier cru* wines or really good vintage wines.
Mr Fisher: No.

Q1197 Dr Naysmith: The process would be done in a way that would reduce the alcohol content.
Mr Fisher: Yes. I suppose the point I am trying to make is historically it has only been allowed in California, and that makes it a very narrow market, but once that is opened up to the rest of the wine world, inevitably the quality will improve, I think.

Q1198 Dr Naysmith: Another suggestion has been made. Wine over 15% alcoholic content is classified as fortified wine. If the regulations were to be changed so that you called it a fortified wine above, say, 13.5% or 14%, that would make a difference too to the taxation issue and, again, would introduce something that would encourage people to produce, and therefore consume, lower alcohol content beverages.
Mr Fisher: Possibly. I think the same holds true that if it is a good quality wine people will still want to buy it if they are not concerned about the 15% ABV. Historically, as Australia as a region has over the last 20 years taken up a larger share of wine sales, it is inevitable that that has pushed ABV up, because it is a hotter climate and that is the way they make their wine, but, as Nick says, we would see a trend towards perhaps Italian whites, which are slightly lighter and lower in alcohol. People do seem to be moving that way.

Q1199 Dr Naysmith: Do you think it is something we should be pressing the EU to do, to try and bring in this kind of legislation, or is it not one of the tools that you would encourage?
Mr Fisher: Now that they have done what they have done on de-alcoholised, that is probably what I would have asked you for, but they have just done that, so we will see how that develops.
Mr Grant: It is important to recognise the mix of products that we do have. Our Sainsbury's Basics lager, which is our cheapest BWS item, is 2%. That is a big line and it is 2%. So you bring in all of the benefits you might achieve from your analysis.
Dr Naysmith: Again, it is arguing against some of your earlier evidence about reducing the price. If the quality is okay, then you will sell more of it, and in this case it is a good thing rather than a bad thing. Thank you.

Q1200 Mr Scott: In the spirit of transparency, I feel I ought to declare I shop in Tesco, Waitrose, but I have nothing against Sainsbury, Asda, Morrisons or anyone else! Mr Kelly, you mention in your submission that alcohol promotions do not result in increased sales. If that is the case, why do you do it? If it is not going to add to your profits and sales, why do it?
Mr Kelly: It is a drive. I think we have explained previously, alcohol promotion is popular with customers but they are part of what we do to attract customers in to shop the whole store.

Q1201 Mr Scott: So it is purely to give the word "loss leader", to get people into the whole store?
Mr Kelly: Not all promotions are loss leaders by any stretch of the imagination.

Q1202 Mr Scott: What percentage would be, roughly?
Mr Kelly: I do not have that figure to hand, but I am happy to provide it.

Q1203 Mr Scott: Okay. A question for all three of you. What proportion of your total alcohol sales come from promotions? Mr Grant.
Mr Grant: I do not have that information to hand. I will supply that to you.
Mr Kelly: Likewise.
Mr Fisher: I am sorry, I am going to do the same. We will send it in.
Mr Scott: Let us move on then, Chairman.

Q1204 Charlotte Atkins: Lee was asking about the proportion of sales that come from promotions. I would be interested to know, not just the general promotions but the actual impulse buy stacks. You will have a general promotion perhaps, but you will also have promotions which are on stacks. Would you differentiate between those? How would your figures be broken down in terms of looking at your overall sales in terms of promotions?
Mr Fisher: We cannot measure where in the store people are buying various products from. The vast majority of our alcohol is sold from the beers, wines and spirits area, which in Waitrose is a distinct area: it has got a different colour floor, different walls and it looks different. We also do site alcohol on what we call gondola ends, so in other places around the store, at different times throughout the year. That does not happen every month, we change the cycle periodically, but we have got no way of measuring which bottle is purchased where in the store.
Mr Kelly: Likewise for us. We would not be unable to tell what is bought where in store and where it is displayed in store will change dependent upon the season, dependent upon what the promotion plan is. We will have times where we will have alcohol displayed with food because we want to make that link between food and alcohol, but we could give you an indication of the categories of wine, spirits, beers and lagers in terms of what is on promotional sale and what is not.

Q1205 Charlotte Atkins: Mr Grant, I am assuming that is the same for yourselves.
Mr Grant: Yes.

Q1206 Charlotte Atkins: But in your submission you said that locating all alcohol in one area would incur significant costs. Why is that?
Mr Grant: I think that is working from the Scottish experience. Moving to an aisle only location for alcohol has led to an increase, a burden, in terms of how you train staff, how you organise the store, how you organise the point of sale, how you mark off various areas. I did not want to overstate that burden, but I think that there is a financial cost to organising the store differently.

Q1207 Charlotte Atkins: Presumably you organise your stores differently all the time. You are constantly looking at the design of your stores and how you can make them look more attractive to the consumer, and one assumes that you are shifting products around all the time. I do not understand why it would incur additional costs?
Mr Grant: I am happy to supply the committee with an estimate of the cost.

Q1208 Charlotte Atkins: Would you? That would be fantastic. Obviously, we know that from September this year in Scotland all alcohol has to be placed in a single part of the store. Have you had any indications about what impact that has had, or is it too early?
Mr Fisher: From our point of view, we had a look and it is too early. We just cannot make any sense of the numbers so far. So there is no trend there.

Q1209 Charlotte Atkins: When do you think you might be able to maybe give the committee some indication of what impact that has had?
Mr Fisher: After a three-month period, I think, we will probably be able to measure it.

Q1210 Charlotte Atkins: That would be very helpful. Nick, what is the general purpose of placing stacks of alcohol at random throughout the store. Waitrose, you said you do it at the end of aisles.
Mr Fisher: We do not have pallets of alcohol either in the foyer as you walk in or throughout the store. We do position alcohol at different places around the store at different times, and that is done for two reasons. Firstly, shopper convenience. Whilst we have got a lovely wine area, some people find it a little bit intimidating and do not like to cross the threshold onto the wooden floor, so by putting wine around the store it enables people—

Q1211 Charlotte Atkins: A bad move by Waitrose then, if you are intimidating customers so they cannot walk down your aisles.
Mr Fisher: We have had those conversations, yes. So, that is one reason why we do it, from a convenience point of view, and, secondly, like other retailers, we would try and promote the alcohol with food link at times, and obviously the best way of doing that is by placing it with food.

Q1212 Charlotte Atkins: Mr Kelly, I assume that your stores do, in fact, randomly place promotions throughout the store. What is the purpose of that from your point of view?
Mr Kelly: There are a number of factors, some of which Giles has just outlined, but also flowing goods into the store to make sure that they are available for customers, particularly at peak times. Christmas is a good example where stores have traditionally a lot bigger, larger stock holdings because of that. Actually being able to put it out on to the floor makes sure it is available for customers, makes it easier for colleagues. One of the feedbacks we do get from customers is that, if we are restocking at busy periods, they find that irritating to say the least. So part of it is actually about the operation and the flow of the store at particular times of the year.

Q1213 Charlotte Atkins: I do not go into supermarkets very often, but when I do there always seem to be booze promotions going on the whole time. Any reason to promote alcohol seems to be taken up with enthusiasm.
Mr Kelly: There will be always be promotions going on in store. The visibility of those promotions, where they are sited in store, will change from time to time. You talked earlier about the beer stacks. That will be around particular times of the year when sales are higher because people are socialising together, or it is Christmas and they are going to have parties and flowing the goods into the stores is an important part of making sure we satisfy the customer and have the availability, and that will be a driver of it as well.
Mr Grant: Most of our alcohol is in the BWS (beers, wines and spirits) aisle. Normally that is at the back of the store, a different part of the store, away from the front. At the front of the store there is space. It is so important to us that when a customer comes in that is their first impression. You will typically find our fresh produce will be very close to the front of the store as well. We think it is important to have that impact, that you are in a shop which has values around food and freshness. You will also find things like nappies on promotion. There will be a whole range of things. Floral, for example, is typically in our stores right at the front. Why? Again, because there is colour, theatre and people can see it straightaway. So there is space, there is impact and customers, as soon as they come in, need to know that they are in safe hands in terms of the ultimate basket or trolley they are going to buy, and alcohol is a key part of what people look for, so it needs to be in front of them that we have a value offer.

Q1214 Charlotte Atkins: So, basically, it is to increase footfall.
Mr Grant: It is not to increase footfall. It is when the customer is there, the first thing they see of the store is that "this is a store which understands the sort of things I am going to be looking for", and that includes discounts.
Charlotte Atkins: Thank you.

Q1215 Mr Scott: The Office of Fair Trading has told us that if supermarkets agreed voluntarily to restrict the in-store promotions, it would be viewed by the EU to be anti-competitive. If the OFT is correct, would you agree that in this case the public health interest should outweigh any commercial consideration? Mr Grant.
Mr Grant: It is not something that we would ever do. We are talking about a competitive market. It would be completely against the grain even to think that we would entertain the idea of agreeing such a straightforward commercial matter. Is the law wrong? It is debatable.

Q1216 Mr Scott: I will take that as a "no". Mr Kelly.
Mr Kelly: I think one of the things that will probably frustrate all retailers is that this is a megaphone conversation in some ways, because actually it is not possible for us to get together and have those kinds of discussions under the current competition laws.
Mr Fisher: Similarly, it would be anti-competitive to sit down and discuss it.

Q1217 Mr Scott: In one word, do you think the rules need changing? Yes or no, Mr Fisher.
Mr Fisher: No.
Mr Kelly: No.
Mr Grant: No.
Mr Scott: Thank you.

Q1218 Dr Taylor: Turning to social responsibility, you have all mentioned education being terribly important. We have been given a list of donations to the Drink Aware Trust, and it seems that Waitrose are really the most stingy. From the figures we have been given for this year, Tesco appears to be the most generous, then Sainsbury, then Asda and, following far behind, Waitrose. Is that a proportion of turnover? How do you decide how much you give to the Drink Aware Trust?
Mr Fisher: Historically donations to the Drink Aware Trust have been discussed with the Drink Aware Trust. We have been putting point of sale on our shelves around alcohol education for many years. We were the first to do it. We did it long before discussions with the Drink Aware Trust. It is something that we feel is important. We have worked closely with the Drink Aware Trust to move that point of sale material onto a platform which is the same across all supermarkets, so we are very proud of that and we do work closely with them. We donate a lot of money to charity in lots of different ways. One of the ways we do that is through our in-store green coin scheme, where customers can select what local charities they want to support, and those local charities will get £1,000 at the end of that month—across 216 stores, that is over two and a half million pounds a year, so it is quite considerable—but our customers choose where that money goes. Historically one of the issues with the Drink Aware Trust has been that there is not a sliding scale around turnover *per se* and what level donations should be; those discussions have always been slightly fluid. However, I understand in the future that is going to be much more rigid and based upon turnover. On those new criteria our investment will be £100,000 a year, and, depending on what the Drink Aware Trust are going to announce with their business plan in the forthcoming week, we would be happy to support that.

Q1219 Dr Taylor: So it is going to be related to turnover?
Mr Fisher: It is in the future, yes.

Q1220 Dr Taylor: That would put you up to?
Mr Fisher: One hundred thousand pounds based on our turnover. I caveat that by saying that we have not seen the Drink Aware Trust plan for how that money is going to be spent. The understanding from the Drink Aware Trust is that they have got some key measures on how they are going to reduce harmful drinking and to get to deliver what they need to deliver in that regard they need five million pounds worth of funding for the industry. Our share of that, on that formula, is £100,000, which we will do if we are happy with what they are going to present to us in the coming weeks.

Q1221 Dr Taylor: Does that mean Asda and Sainsbury's contributions will go up as well?
Mr Kelly: Yes, it does.

Q1222 Dr Taylor: So they will have a very useful amount of money to tackle the problem with. Do you know anything about Project Ten, now called the Campaign for Sensible Drinking?
Mr Fisher: Project Ten is to be rolled into the Drink Aware Trust going forward.

Q1223 Dr Taylor: That is part of it.
Mr Fisher: Yes. So, effectively, the funding covers both Project Ten and the Drink Aware Trust from next year.

Q1224 Dr Taylor: So you will be contributing to that as well.
Mr Fisher: Yes.

Q1225 Mr Scott: How much do you spend on advertising alcohol, and what proportion of this advertising focuses on price discounts, value for money, et cetera?
Mr Grant: I do not have a figure. I could supply one.
Mr Kelly: I do not have the exact figure, but from memory it is slightly less than a 0.5% our annual alcohol sales.

Q1226 Mr Scott: 0.5%?
Mr Kelly: 0.5%.
Mr Fisher: Again, I do not have a figure that I can provide, but I will do.

Q1227 Mr Scott: Is your commitment to social responsibility more about improving your corporate image than encouraging people to drink responsibly? What would you say to that?
Mr Grant: I would say absolutely not. Much of my professional life in the last three years, or a significant proportion of it, has been dedicated to

working with industry to try and create change and progress in the area of alcohol abuse both to the Drinkaware Trust and to the Retail of Alcohol Standards Group that I have chaired. So corporately, personally, in personal terms, absolutely it is a matter of utmost importance to me that I work on that agenda and get change going in the industry. That is a really important part of what I do for a living, so I would reject absolutely any sense this is about a corporate veneer. It does not work like that. It does not work like that for me and I know it does not work like that for a lot of people in Sainsbury.

Q1228 Mr Scott: Thank you, Mr Grant. Mr Kelly?
Mr Kelly: Absolutely not. We announced last year a social responsibility fund of a million pounds to tackle particularly alcohol-related issues amongst young people, and one of the particular projects that that supports in Burnley is already having a huge impact on reducing crime and anti-social behaviour and giving the police back many hours of time to pursue more serious crimes, and that is a commitment, with the project we have announced with the Department for Children Schools and Families, to take mobile these provisions nationwide.
Mr Fisher: Absolutely not. As I said earlier, we have got a written constitution as a co-owned business, and part of that is that we look after the communities that we trade in.

Q1229 Dr Naysmith: All three of you, I think, have argued today that you agree that alcohol can be a hazardous product, but you have said that it is probably only a small proportion of the population and, therefore, measures that affect the whole population would be unfair on those who are not going to be hazardous drinkers. Is that a fair summary of what you are saying, because I am going to go on, if we can get agreement about that, to ask another question?
Mr Kelly: I think that is a fair summary.

Q1230 Dr Naysmith: What should you be doing, then, to sell what you have all agreed is a potentially dangerous product? Should you not be doing a lot more to make the potential health hazards aware to consumers when they come across bottles of alcohol in your shop? There is also a slight difference in the way they look at what it means: because if we are concentrating on things like anti-social behaviour, and so on, that we have just been talking about, actually the thing that worries us probably a little bit more than the anti-social behaviour and binge drinking, and that sort of thing, is the increase in liver disease and other diseases associated with alcohol amongst the general population, and that is increasing in quite a frightening way, particularly in Scotland. So that is why we as a Health Committee are thinking about this. It is not the only reason, but certainly one of the reasons. Should you not be doing a lot more to point out the potential hazards to customers in your shops when they purchase this potentially dangerous product?
Mr Fisher: I think there is more that we can do. We are always looking to improve what we do. As I said earlier, we were the first supermarket to put pointers out, material out about health messages, we train all our wine specialists in that area, we talk to all our staff about their own level of consumption. We are the only supermarket with a 24-hour helpline for our staff if they are worried about that. So we have done a lot, but there is a lot more that we can do. One of the things that we have been talking about recently, we have had some meetings with the British Liver Trust to talk about a campaign that they are looking to launch around taking two days off a week for people who are consuming alcohol every day. That is something that is in the very early stages—we have only had a couple of meetings—but it is part of our programme of continually improving our messaging and education.

Q1231 Dr Naysmith: What about putting big notices beside the alcohol aisle that point out the hazards. You said earlier, Mr Grant, that you do not think people appreciate enough how many units makes it a hazard. I will stick with Mr Fisher for the moment and then I will come to you. Why can we not have big notices pointing out the potential hazards?
Mr Fisher: We do. That is the Drink Aware Trust's point of sale which we worked with them to develop.
Sandra Gidley: I have never seen one.
Dr Naysmith: Neither have I.
Mr Scott: I have.

Q1232 Sandra Gidley: I have never noticed them, and I have been looking out for them.
Mr Fisher: We do have them. That is what we had originally. Off our own bat we went and did that. We thought that was a little bit busy and messy, so we worked with the Drink Aware Trust to develop a more simple message, and the idea of this is that it can be standardised across other retailers. So you will see in some other stores Tesco will have their name there. It will be a slightly different colour but the same message. So we do put those out in store. We have also developed booklets around people's relationship with alcohol. We have got various information on our website, we have got links to drinking and a few links to the Drink Aware Trust. We do unit labelling on all of our own label wines, beers and spirits, so we are doing a lot. I think the problem is that what we found from research is we really need to engage with people and talk about potentially harmful drinking in a compelling way that is going to make a difference to their behaviour, and that is one of the reasons why we have been talking to the British Liver Trust about perhaps a slightly different campaign.

Q1233 Dr Naysmith: That is all very worthwhile, and I think we would all be grateful for you taking it seriously like that, but how about a nice big warning that says, "Alcohol can kill you if you are not careful", so they will then go and look at that report that you are providing for them? What Mr Grant was saying was that people do not really understand how many units they can drink.

Mr Fisher: We cannot get away from the fact that people can make a personal choice.

Q1234 Dr Naysmith: I did not say, "Alcohol will kill you", "Alcohol can kill you".
Mr Fisher: No, I know. We have spoken to customers in focus groups about this particular issue and asked them what they want and what they do not want. Frankly, I think if we come across as preaching like that it is just going to switch people off. What we are trying to do is a more subtle approach around education, thinking about units, getting people to understand how many units they can consume, what the hazardous levels are and where they are in relation to that and, hopefully, addressing their behaviour. I genuinely believe that if we put a sign up like that in store, it would not make a lot of difference and I do not think it would engage—

Q1235 Dr Naysmith: What you are competing against is the huge sale on advertising telling people that drinking alcohol all the time is good for you or does not do you any harm. A notice like this might at least begin to address the balance.
Mr Fisher: As I said, we put what we put out to try and make people think about it and to engage with people, and not necessarily to be ignored, but not to be preaching. It is a fine balance, and if we go out there on some kind of preaching message, it is just going to switch people off. That is the research we have had. Our customers do not want that from us. They do not want that from their supermarket. It is not our role. Our role is to inform, to educate, to put the information there, but to preach at them with stark messages like that, our research shows we would switch them off.

Q1236 Dr Naysmith: Thank you very much. Mr Grant, you were talking about this earlier.
Mr Grant: I think in terms of the relationship with the customer and tone of voice and whether they would switch off, I think, given my analysis that they do not know enough about basic units in alcohol, it would be somewhat shocking to them, I think, to have suddenly the terminal message given to them. The education, if it is going to be worth anything, I think needs to take them from where they are on a sort of journey by which they pick up knowledge and information about alcohol gradually. I think that such severe health warnings would very much change the relationship and would probably be counter-productive in the short-term. On listening to Giles enumerate the Waitrose social responsibility initiatives is, of course, as a competitor of Giles, the thing that I immediately do is I say, "Sainsbury's, of course, was the first supermarket for DOH guidelines on own label alcohol who put that message on", and then, "Go to step two and step three", which I could go through. It seems to me that what that means is that actually a lot of progress could be made by using that industry's competitiveness for good. We try to out-do each other, we try to make an impact upon customers—that is what we do for a living. To go in reverse, and I so do not want to start the minimum pricing discussion again necessarily, and to say that competition is not the right way forward, I think, is a very radical and totally distorting message. Much better (and this is what I do in the Drinkaware Trust terms and the Retail of Alcohol Standards Group) is use that national competitiveness, work with the commercial grain, because there is lots of goodwill in the industry. There is a reasonable amount of resource to apply to this, but if you go with the grain, encourage competitiveness, there will be much bigger of benefits, I think.

Q1237 Dr Naysmith: We are getting fairly short of time. Do you have anything to add?
Mr Kelly: Yes. I think we do an okay job; I think we can do a better job in terms of communication to customers. I think we need to look at all the tools that are available to us, not just point of sale in store but also, in our case, the Asda magazine, the website, but I think that having information in store is one thing. I think there is something about how we remind customers when they are at home, when they open the bottle of wine, or whatever, and so what we have said is that we are going to do a complete review of all of that information, particularly looking at labelling, and seeing can we learn something from front of pack labelling or nutrition in terms of making it simple, quick for people to understand that and we are going to involve the medical profession and people like Alcohol Concern in those discussions to find something that works for consumers not just at the point of purchase but also at the point of consumption.

Q1238 Sandra Gidley: I want to go back to these shelf things again that you have. I used to, for my sins, work in the supermarket sector and what used to happen would be there would be some great initiative from head office; it would be the latest thing. You would be given advice as to how to lay out the tickets on the shelves and everything is all very carefully thought through, and then there would be the shelf bar, which would have bigger signs, which, if you could find enough holders, you might put the information out but there would be something else next month. So my question to all of you is this. You produce this promotional material. Presumably you have sent it out to your stores. How do you know they are putting it out. What direction do you give to your stores as to how many of these they put on a shelf and where they should be placed? In my experience with two supermarkets not represented here today, that was always very, very tightly controlled.
Mr Grant: What you are talking about is the other part of my day job, which is the challenge of compliance, which is how a central body setting policy can achieve that in a different number of supermarkets for each of us. We are actually very good at it. We have had a lot of experience in getting 800 stores do the thing that we want them to do in terms of point of sale, but it is a constant challenge. You will always find one store which is not quite up to the mark on any one particular day, but, as a

generality, I think supermarkets are pretty good and pretty practiced at trying to achieve compliance. It is about clarity of communication, repetition of communication and ease of process. All those things matter, and that is what we try to do.

Q1239 Sandra Gidley: I am not sure how that relates in practice at all, because this is an on-going thing. Fresh initiatives, yes, all stores will do them. My experience is—and it is something that has been around for all time—"I am not sure we need that any more, let us declutter the place", when you get some new store manager in.
Mr Grant: That is exactly the challenge. It is the flush of enthusiasm and then following it up later, but that is an audit and a checking role and that is, again, something that we do from food safety, health and safety, weights and measures, cleaning, hygiene. There is an established apparatus for auditing.

Q1240 Sandra Gidley: Let us make it very simple. We are running short of time, so I have two very simple questions. Do you give direct instructions as to where these are to be placed in the wine aisle?
Mr Grant: Yes.

Q1241 Sandra Gidley: And is it audited?
Mr Grant: Yes.

Q1242 Sandra Gidley: I am sorry, a third question. What happens if there is non-compliance?
Mr Grant: It will be noted with the store manager and a notice for improvement served, effectively.

Q1243 Sandra Gidley: Will it form part of an appraisal?
Mr Grant: I think a collection of failures in the audit certainly would be, yes.

Q1244 Sandra Gidley: Mr Kelly.
Mr Kelly: Yes, to the first two questions. Putting it on part of the score card against which store managers and departmental managers are evaluating overall performance is always a key driver around compliance. It is a challenge and through the communications that we have to stores, through the hurdles that happen each day, through an internal TV channel, we can reinforce these messages.
Mr Fisher: We would be the same. We tell people where to position that information and it is audited, and if its not there, then there are processes that they follow to reorder that point of sale material.

Q1245 Sandra Gidley: Could we have copies of what you send out to stores to highlight how they are supposed to be positioned? It may be that is just one of the things you do not notice after a while because you are too busy looking at price, or what have you, but it would be interesting, I think. Moving on, you have been talking about labelling, but what conversations have you had with manufacturers about the labelling of alcohol products generally. I accept that Sainsbury have done a lot of work with own brand products, but what proportion of the products on your shelves, particularly wine, are actually own brand rather than imported?
Mr Grant: I do not know the exact proportion, but it will be a minority in terms of wine. I think the issue with branded suppliers of alcohol is a difficult one. I think the position that Sainsbury's has come is to that we act as leaders and we set the example. We have taken the view that it is not for us to threaten to de-list alcohol products if they do not conform with this guideline. Plainly, we would hope to see, because we have set the example, I think, a very high percentage of our own label products have the correct labelling. We have set the example. We would not do that if we did not think it was the right thing to do. We cannot compel suppliers to do it.

Q1246 Sandra Gidley: Roughly what percentage of your alcohol products are your own label? Can you remind me?
Mr Grant: I do not know off the top of my head. I am sorry.

Q1247 Sandra Gidley: Even roughly.
Mr Grant: No.

Q1248 Sandra Gidley: Mr Kelly?
Mr Kelly: I am not going to hazard a guess on what the balance is between own label and branded. We can provide that information. Again, like Nick, we would like to see the branded manufacturers following the lead that retailers have set in areas around wine, and I think all of us have particularly set an example on our own label wines information. Can we do more? Probably. I think there is a whole issue around the consistency of information. We have seen it with nutrition labelling across Europe—different schemes. The same applies on alcohol. Again, it will take ages to probably get anything through the EU, but actually we will continue to put pressure on to manufacturers to follow best practice on what a good job looks like.

Q1249 Sandra Gidley: Would it be impertinent to ask whether some manufacturers are more receptive to your approaches than others?
Mr Kelly: It would not be impertinent at all. Some are more receptive than others.

Q1250 Sandra Gidley: Would you like to name and shame?
Mr Kelly: No, it is not my place to name and shame. That would be impertinent, I think.

Q1251 Sandra Gidley: Name and praise?
Mr Kelly: No, it would not be fair on those who we still continue to have the discussions with.
Mr Grant: I think this is another interesting area of how European law affects us. I am certainly not going to be an advocate for the big drinks companies, they must come and give evidence and answer your challenges direct, if they have not already been, but if you have a product which is to be marketable in all of Europe, there really is quite a strain on that label in terms of what Europe requires

it to say. That would be my only marginally sympathetic comment in relation to what branded drinks manufacturers have to face. I think we could make some of that simpler, frankly.

Q1252 Sandra Gidley: Mr Fisher.
Mr Fisher: We have this information box on our 118 own label lines. I do not know what proportion of sales they make up. Essentially that is all the information there. We put calories on, which we do not have to, but we felt it looked like it was an effective thing to put on. I think only us and the Co-Op.

Q1253 Sandra Gidley: What are the health warnings on there?
Mr Fisher: It has got, "Enjoy alcohol in moderation", it has got the recommended daily units for men and women, "Avoid Alcohol if pregnant or trying to conceive", it has got links to drinkaware.co.uk and then it has got a break down by bottle and by glass how many units are in that particular product. As I say, we have put calories in because some people are more aware of calories than units, so we thought that was another way of getting across the message to customers. As far as speaking and influencing other suppliers goes, I am probably going to say something very similar to what you have heard so far. Some of our wines come from fairly small producers around Europe and they have to sell their wine to all sorts of different markets, so for them it is probably uneconomic for them to adopt that kind of labelling if it is not applicable in all markets, but it is something that we are encouraged to do.

Q1254 Sandra Gidley: Have you ever considered putting labels on including something along the lines of "Alcohol causes liver disease and cancer"? You were objecting to the big signs earlier. What about a more specific targeted health warning on alcohol in the same way as we have on a cigarette packet?
Mr Fisher: We are looking to improve it all the time. It is not something which I would rule out in the future. Having said that, we have just spent an awful lot of money launching all our new labelling, which we think is industry-leading at the moment, but it is not something which we would be averse to. There are also links to our website, which does have information around liver disease and cancer and all that kind of thing.

Q1255 Sandra Gidley: What about the slightly starker warnings? What about Mr Grant and Mr Kelly?
Mr Kelly: As I said, we have just announced that we are going to do a review, and I am willing to look at that within the context of that review.
Mr Grant: Our message was as agreed with the Department of Health back in 2007. Plainly, we engaged in conversations about what a sensible message should be. The Drinkaware website, which I am a great fan of, is mentioned on the label and if you go there, there is good, reliable medical information.

Q1256 Sandra Gidley: Moving on to Scotland, I think you were all against the new regulations introduced on alcohol sales in Scotland. Was that because you thought you would lose sales?
Mr Kelly: I think we were concerned, again, is it the most proportionate way of tackling the issue, but also that there are some inconsistencies or some unintended consequences, as it is probably better to describe some of the implications in Scotland. For example, it is now not possible to sell wine with food, and that is going to have implications, particularly at Christmas with stilton and port. You cannot sell alcohol in the cheese aisle; you cannot sell food in the alcohol aisle. Those sorts of things are what we see as the unintended consequences. We will have to see what happens. We are pleased that some of the suggestions that we thought were both burdensome to business and also actually likely to have unintended consequences, like separate checkouts or even a separate areas within a shop, were dropped, because experience from Northern Ireland and the experience of some retailers who have that approach in England has actually seen more alcohol sales there because it is easier to buy the alcohol, not less easy.
Mr Grant: I think, as Paul has said, what actually has happened so far in Scotland is very different from what was initially proposed in the areas that Paul talked about. I think the concern there really was there was little evidence-base ostensibly used by the Scottish Government to justify its move. It seemed to me to be very much an experiment. In the nature of these experiments, we do not know where it is going to end up with the results. The question was asked before about what the effect in Scotland has been from selling from the beer aisle, and so on, only. We will not know for a little while, and I do not think the Scottish Government knows either where it will end up.

Q1257 Sandra Gidley: Mr Fisher?
Mr Fisher: We have got two branches in Edinburgh and we are opening one in Glasgow later this year, and so Scotland is an area which, obviously, we are focused on and we are aware of all the changes that are going on around legislation. If you look at what was introduced on 1 September, as I say, it is too early to determine what the actual outcome is, it is not as Draconian as what was suggested originally, but the point for us is the effectiveness of what the Government there is trying to achieve and then having a proportionate response that is going to be effective in tackling harmful drinking.

Q1258 Sandra Gidley: So if it was successful in tackling harmful drinking, would you support the introduction elsewhere in the UK?
Mr Fisher: For us, from what they have introduced at the moment, it is too early to say, but I do not think it is going to have a huge effect in terms of reducing the amount of the dual-siting of alcohol around the shop. I cannot see that impacting our sales hugely. What it has had is a big effect on the way we operate our systems, because at the moment, rightly or wrongly, it is our problem, not anyone else's, but we have one price file for the whole of the

United Kingdom, so the 72-hour rule around changing prices has meant that that has affected the rest of our business in England and Wales.

Q1259 Sandra Gidley: One last thing. My son was a partner at Waitrose and he cannot ever recall being spoken to about safe drinking, which is disappointing.
Mr Fisher: I can send you the articles that we send out.

Sandra Gidley: I think you said, "We talk to our staff". Maybe that was just an unfortunate choice of language.
Chairman: Could I thank all three of you very much indeed for coming along and helping us with this evidence session, which has been interesting and informative. You said on two or three occasions that you would write to us and clearly we will use the evidence sensibly in terms of what does come in. Thank you very much indeed.

Witnesses: **Mr William Bush**, Director of Communications & Public Policy, Barclays Premier League, and **Mr Stewart Thomson**, Commercial Director, Football League, gave evidence.

Q1260 Chairman: It is now good afternoon, not good morning, gentlemen. I am sorry about the delay. I wonder if I could ask you to give us your names and the current positions that you hold.
Mr Thomson: Stewart Thomson, Commercial Director at the Football League.
Mr Bush: I am Bill Bush. I am the Director of Communications and Public Policy at the Premier League.

Q1261 Chairman: Thank you very much for coming and helping us with this inquiry into alcohol. This is our seventh session now. Should football be so closely associated with such a health-harming product as alcohol?
Mr Bush: I think sport in general and alcohol clearly has an association. All sporting bodies, and certainly the Premier League, take the view that association should be managed as responsibly as possible and that is what we set out to do, to make sure that as a competition and our clubs as individual institutions behave in such a way that an association which has probably been there from the very origins of sport is managed in as an appropriate, fan-friendly and society-friendly way as possible.
Mr Thomson: From our perspective we believe that we should be allowed to continue with a sponsor that is an alcohol brand and we work with that brand in a responsible way to promote their product. The income that brand gives the Football League at the moment is around about one-third of our central sponsorship income. Our clubs are not rich clubs and they rely very heavily on that income, it is important income to them and it would be difficult income for them to replace.

Q1262 Chairman: Is the display of alcohol sponsorship on football shirts and your corporate websites a good message to send to supporters, many of who are young?
Mr Thomson: We only have one of our clubs that has an alcohol brand on its shirt, and that is Chesterfield. Sponsorship and branding in itself is not necessarily a call to purchase, it is the way that sponsor activates the property that he has brought in and promotes that. In our case we work with Carling, who are our partners for the Carling Cup. We work very responsibly with them to ensure that the messages they send out are targeted at people who are allowed to drink and it promotes sensible drinking. At the Football League we have a veto on anything that we would find inappropriate. Clearly we would not wish to be associated with anything that would damage our brand.
Mr Bush: We take a very similar view. Two of our clubs have shirt sponsorships and one of those is in the final season of that arrangement. The display is handled well within the rules and certainly does not amount to urging people to drink. It is a simple brand name, not a slogan as such.

Q1263 Chairman: I understand that, but the rules in relation to advertising alcohol say: "It cannot suggest that any alcoholic drink can enhance mood, confidence, popularity, personal qualities, performance or sporting achievements", and yet we have Liverpool, Rangers and Celtic suggesting exactly that to quite a lot of young people. It does not cover football but it seems to quite a lot of people that is exactly what this type of shirt sponsorship actually does.
Mr Bush: I am not sure that is the case. It is the simple name, it does not say that the players drink the product and certainly does not say their sporting performance is improved because of their consumption of the product. We absolutely understand the rules in this case. I would say the League and the clubs try to be very conservatively within the rules. It is not about associating with sporting or social success in the way that perhaps you are suggesting.

Q1264 Sandra Gidley: Can I just pursue that. You say it is just a simple name but it is not just the name, it is the logo and everything which is fairly evocative. These labels, for want of a better word, appear on young kids' sporting heroes. Surely there must be a link between physical success, sporting success, and the brand. I would have thought it was fairly obvious. Are you denying that could happen?
Mr Bush: I am not an expert in the kind of social psychology that you are enquiring into there. I do know that when the Portman Group looked at the question of the alcohol brand being on merchandise targeted at young children in the end they concluded that it should be stopped and we had no problem with that. We do not have child-sized shirts and so on that are alcohol branded. What was interesting

was that the Portman Group's investigations into the area gave us no evidence whatsoever that young people took their cues about drinking from football specifically, the area that I know about, or sport more widely. As you heard repeatedly from the previous witnesses from the supermarkets there are deep-seated cultural attitudes about alcohol, how young people come to perceive alcohol, and I would be very surprised if there was much by way of credible evidence that said the simple association of an alcohol brand in the very simple way in which it is presented in sport in general, and football in particular, is possible to measure as having a contribution to the way in which young people approach alcohol. You have heard this time and again. It is a very complex cultural set of conditions and circumstance about the relationship between the British population and alcohol and it is hard to believe that a very simple brand title on a player's shirt is a major motivator.

Q1265 Sandra Gidley: But they banned cigarette advertising for very good reasons.
Mr Bush: Yes, and I understand the reasons. Again, you will have heard others say that a single cigarette is a health hazard whereas it is not clear that a single drink is a health hazard. Also, as a spectator sport we are very conscious that someone can consume a drink—it cannot be done within sight of the pitch but in a concourse area—and by and large it does not annoy people alongside them whereas smoking in venues is not only a health hazard to the individual doing the smoking but is a passive health hazard to the people alongside them, and even if it is not that then it is just irritating if you are a non-smoker to be in the small minority of smokers who are damaging your experience of the match. Alcohol and tobacco have very different circumstances.

Q1266 Sandra Gidley: Mr Thomson, have you anything to add or would you agree with that?
Mr Thomson: I agree with my colleague here. I come back to what I said that the simple name on a shirt or a brand attached to a competition in itself is not a call to purchase from a marketing or sponsorship perspective. A company has to work very, very hard to promote their brand over and above what they purchase.

Q1267 Sandra Gidley: It must add value. They would not do it if they did not think they got anything out of it, surely. It is not total altruism and love of football surely.
Mr Thomson: Of course not, they do get something out of it, but the benefits that a sponsoring company gets are enhanced by the way they activate it. In our case we work very closely with our sponsors to make sure that sponsorship is activated responsibly and promotes messages about sensible drinking.

Q1268 Sandra Gidley: How much money does each League receive from alcohol sponsors?
Mr Thomson: Directly I cannot comment on the exact amount because it is a commercially confidential contract, but it would be fair to say it is a significant seven-figure sum that we receive from our alcohol sponsor.

Q1269 Sandra Gidley: How does that compare with other sources of sponsorship?
Mr Thomson: It is about a third of our total sponsorship income.

Q1270 Sandra Gidley: Is that the same for the Premier League?
Mr Bush: It changes through time obviously. Probably a smaller proportion of our income is dependent on alcohol sponsorship than it is for the Football League.

Q1271 Sandra Gidley: How much smaller?
Mr Bush: We are commercially a larger operation. I would not like to go through the figures because these things are commercially sensitive but it is a relatively small number of millions. Eight noughts, I think. That is the clubs and the League.

Q1272 Sandra Gidley: Compared to other sponsorship, what proportion comes from alcohol?
Mr Bush: In general there is a three-year cycle. We sell our rights on three-year cycles and are required to do that in the audiovisual market because of action by the Competition Regulator. Subsequent to that all of our other commercial arrangements by and large go on three-year cycles. Our main sponsorship income is from our title sponsor, who is Barclays, and negotiations for that renewal are underway at the moment. At the moment alcohol sponsorship is a relatively small proportion of our total income but that is a consequence of other decisions in the marketplace that have taken place.

Q1273 Sandra Gidley: Different people mean different things by "relatively small". Can you give us a percentage?
Mr Bush: It is less than a third of our total sponsorship income. Having said that, it is important to understand that there is a dynamic effect here which is although as a snapshot at any one time it is a smaller proportion than, say, financial services or technology companies, the value of the sponsorship market is hugely dependent on how many commercial players are in that marketplace. At the moment drinks companies, for example, seem to be much more interested in rugby, in cricket, slightly more interested in the Football League than the Premier League, but they are an important component of the sponsorship market as a whole. While saying at the moment it is less than a third for us, it is a very important part of an overall strong market. We do not underestimate its value, both its direct and indirect value, at all.

Q1274 Sandra Gidley: I think it is a shame that we have not got the rugby and cricket people here, so all credit to you guys for coming along actually.

Mr Thomson: Could I possibly add to what my colleague has said and say that the Premier League clubs' continued participation in the Carling Cup allows us to gain the type of sponsorship that we gain for that, and that competition is one of the best at redistributing wealth within football, so money comes down from the Premier League clubs to the Football League clubs as a result of that competition. Whilst directly Premier League may not have a lot of money from alcohol sponsorship it certainly helps us in the Football League.

Q1275 Sandra Gidley: So the money trickles down to the clubs. Presumably if their shirts are being sponsored they receive specific sponsorship from different manufacturers as well.
Mr Thomson: That is correct, that is the way it works. Individual clubs are responsible for their own individual shirt sponsorship and advertising. The Football League as the central body organises the sponsorship of various competitions and all of that money after the costs of running the competition is distributed back to our clubs.

Q1276 Sandra Gidley: So you are not really in a position to answer a question on how much the individual clubs would receive?
Mr Thomson: No.

Q1277 Chairman: They do get quite a lot if they do well in the Carling Cup.
Mr Thomson: Yes.

Q1278 Chairman: That is the lower clubs. My club got a lot of money out of you last season, but sadly we went out a bit too early this season.
Mr Thomson: The further a club goes in that competition the more the prize money increases.

Q1279 Chairman: Could I ask if you are prepared to share something in confidence with us about what you do get for sponsorship from alcohol companies? You did say earlier it would be about a certain amount.
Mr Thomson: It would be difficult to give you an exact sum because we are bound by the contract.

Q1280 Chairman: You said about a third.
Mr Thomson: Of our total sponsorship income the sponsorship money is around about a third, yes.

Q1281 Dr Naysmith: I think Mr Bush, if you will excuse me saying so, you were being slightly naïve when you suggested that having a brand name on a shirt and so on did not have any effect on encouraging drinking amongst young people, it is just a brand image. The whole thing is much more subtle than that. As the Chairman pointed out at the start, television and other media advertising rules do not apply to football. What is happening is on things that are banned from happening in the media, programmes and so on, clubs which have a shirt logo are being associated with success, with things that young men and women other people admire are doing and it is helping to create an atmosphere where alcohol is accepted as part of life, particularly something that young people should get involved with. That is the subtle advertising message that comes across from it. Would you agree with that or are you going to stick to what you said before, that it is just one brand over another that is going to be purchased anyway?
Mr Bush: What I was referring to before was in the context of a Portman Group decision about alcohol branded material in association with football being targeted at young people. As I said, we happily go along with the Portman Group rules in this area, but in going through that process, in asking them for evidence and them going to specialists and experts to provide the evidence as to what the link was and how big the impact was, there was no evidence that was available, I think because it is such a very small part of such a very large picture. Where we would locate the alcohol branding of football shirts and other football merchandise, I would say it is well within the standard practices of advertising of alcohol on, say, billboards or in general magazines and newspapers, or even around television programmes where clearly there is the likelihood that young people, people under the legal age of drinking, will see that advertising, newspaper pages and so on, but the advertising is not at all targeted at them. It is not seeking to recruit them in any way, it is passing ambient rather than targeted. I would place us very much in the middle of that spectrum of the sort of advertising that the present regulatory regime indicates is acceptable. We are within that and I would say we are comfortably within it. We do not push the margins of that. We do not sail close to the wind of that at all. I would say given the absence of evidence and the considered way in which we try to be comfortably within the area of conservatively defined good practice we are not a problem perhaps in the way that your line of questioning suggests that we might be.

Q1282 Dr Naysmith: Why do you think alcohol sponsorship of football and other sports is banned in France if there is no evidence that it does any harm?
Mr Bush: The French example is obviously one we are well aware of. We work very closely with our counterparts in France. The question is a very interesting one. They do things differently in France in all sorts of ways. There is a relationship between sport and government which is just unbelievably different from the relationship between sport and government in this country. Just to do a simplified definition of it: here the government says to elite sport, sports that can generate large amounts of money, "You know the law of the land, get on with it. Don't expect that much help from government", and that is fine. The Europeans call it the Anglo-Saxon model and usually abuse it roundly. We seem to be doing quite well at it.

Q1283 Dr Naysmith: The French have not done too badly.
Mr Bush: The French do very well, and we do not knock their model either. They knock ours but we do not knock theirs. The French model of government

and sport relations is very, very different. There is extensive support from the state, for example to protect the sport against gambling, and that is absent in this country. There is extensive support from the state to assist sport to generate income from its intellectual property rights and there is more extensive support in France than there is here. There is extensive state aid in France on things like the development of stadia and so on that we do not have here. There is huge investment by the state both at national and more local levels in sporting infrastructure. Sport is recognised in law. There is a sport body of law which gives them all sorts of protections and obligations. Within that framework the government says, "There are things we want back from you" and one of the things it wants back is this position on alcohol.

Q1284 Dr Naysmith: But why is the question.
Mr Bush: I am just pointing out that here what you call the Anglo-Saxon model is that we live in a highly competitive marketplace in which we do the things that are proper and appropriate to do within the regulatory regime, and by and large government leaves us alone as long as we obey the rules.

Q1285 Dr Naysmith: So it is up to government to change the rules, is that what you are saying?
Mr Bush: Here you are suggesting that there should be a specific government intervention to get sport to co-operate more closely in achieving a public policy objective and there is nothing wrong with that but there are costs that flow from that. My fear would be that what you are suggesting would be a one-way street in which sport loses access to what is a perfectly proper thing at the moment but does not gain any of the French style protection which sport enjoys elsewhere. When you compare England and France you are taking something out of context, a very important cultural and legal context.

Q1286 Dr Naysmith: I understand what you are saying. What you are saying really is that you are against sponsorship being banned in this country for football.
Mr Bush: While the sporting model remains as it is.

Q1287 Dr Naysmith: Do you think football would survive a ban on alcohol sponsorship?
Mr Bush: The Premier League would certainly survive. The knock-on effect in football would be quite severe and in other sports would be even more severe. I think it would be wrong for us to say we are the wealthiest English sport, we can take these knocks and it is fine because it would have a significant knock-on effect to us through the damage it would cause to the sport economy and it would certainly leave our colleagues in the Football League and other sports in much worse positions.

Q1288 Dr Naysmith: Thank you. That is a very interesting argument that you have put forward. Does Mr Thomson agree with his colleague?
Mr Thomson: To pick up Bill's point, as I said it is about a third of our sponsorship income so for us to replace that the Football League as an entity would survive but it would create an amount of difficulty for a number of our clubs who are already in positions of financial difficulty. What the Football League does by way of alcohol sponsorship is we are at the heart and soul of communities across England and Wales and it gives us the opportunity to promote sensible drinking. A number of our clubs—to pick a few, Brighton, Chesterfield, Darlington, Middlesbrough—run programmes of education on sensible drinking and quite clearly if any of the Committee wish to come along and see any of those you are more than welcome to do so. The opportunity is there to use the clubs to promote the message that if you drink sensibly and within the limits it is okay.

Q1289 Dr Taylor: Following on from that, you are trying to promote sensible drinking but do you try and do that with players at all because there are just these few high profile players who have got into the most terrible troubles?
Mr Thomson: Absolutely. There have been a couple of recent shocking cases. League Football Education, which is a subsidiary of the Football League, works with the Sporting Chance Clinic that is a clinic that offers help to sports people with addictions. We create programmes with them, and it is not just simple leaflets it is living, breathing programmes that teach players about addiction and the dangers of addiction. We also work with the apprentices in the Football League at a very young age before there would be any problems, so prevention as well as cure.
Dr Taylor: Do you have any role models who do not drink?

Q1290 Chairman: That is a tough one!
Mr Thomson: I am not aware of individuals but I think it is fair to say that over the last 20 or so years the perceived drinking culture within football has changed. I think the influx of foreign managers, foreign players and foreign coaches has changed the attitude of the home-based players to that. The culture does not exist in the same way.

Q1291 Dr Taylor: So the foreign players bring in the foreign culture. The French footballers just want to drink the wine, do they?
Mr Thomson: I could not comment about French footballers and their personal habits, to be honest with you, but as a general thing the perceived drinking culture in football has changed over the last number of years and it is genuinely not there any more.

Q1292 Dr Taylor: So the homegrown footballers are the worst ones?
Mr Thomson: Not any more.

Q1293 Dr Taylor: Everybody recognises that there is a downside to alcohol and we have heard that you pretty much depend on the sponsorship money, particularly the League with a third of your total and some clubs rely on it tremendously.
Mr Thomson: Yes.

Q1294 Dr Taylor: Are you doing anything to try and work out other ways of getting income and sponsorship from other sorts of firms?
Mr Thomson: Sure. We have a broad range of sponsors across a number of business categories from travel companies to utility companies to providers of sporting goods, a paint manufacturer, a soft drinks manufacturer.

Q1295 Dr Taylor: Is it really only the major clubs that have the big drinks manufacturers and promoters?
Mr Thomson: No. The Carling Cup is a competition participated in by all 92 professional clubs in England and Wales, so that goes from the biggest to the smallest clubs, it is across the range.

Q1296 Dr Taylor: That is the Carling Cup, but what about the lower divisions of the League?
Mr Thomson: The example I used was only one of our clubs has a shirt sponsor, and that is Chesterfield, and by relative standards they are a smallish club.

Q1297 Dr Taylor: Do you have active measures to try and look for other ways of promoting? Are you seeking sponsorship from other organisations actively or do you leave that to individual clubs?
Mr Thomson: As I say, the clubs are responsible for their individual deals. Essentially we look across a range of business categories for our sponsors, but I come back to the fact that we would only work with companies that we believe could enhance the Football League. We would not work with companies that we believed could be detrimental to the Football League and the energy of the Football League.

Q1298 Dr Taylor: Why is the Premiership less reliant on alcohol sponsorship?
Mr Bush: We only have two clubs which have shirt sponsorships. Our main title sponsor is a bank and that is our one competition, as it were. The Football League has two competitions, the League itself and the Cup competition which has a major sponsor from an alcohol company. It just so happens at the moment that we are less reliant on money from that source, but these things change in the marketplace.

Q1299 Dr Taylor: So it is not an active policy?
Mr Bush: It is not an active policy. Obviously as a League and clubs individually we seek the widest possible, most diverse source of funding. Like most other people we did not spot the recession was coming but, generally speaking, if you want to ride out a recession you want to have as broad a base of income, as diverse a base of income as you can. As a matter of policy over the years we have tried to have diversity because out of diversity there comes some security.

Q1300 Charlotte Atkins: Is there more or less alcohol sponsorship in football compared with 10 years ago? What has the trend been?
Mr Thomson: Do you mean the value?

Q1301 Charlotte Atkins: Yes, I think the value.
Mr Thomson: Yes, the value of the sponsorship of the Carling Cup, for example, has gone up over the last few years but that is generally in line with the value of sponsorship in football. It is not specifically that alcohol sponsorship has gone up in value.

Q1302 Charlotte Atkins: As a proportion also of the total, are you more dependent on alcohol sponsorship or less?
Mr Thomson: At the minute it is roughly the same. As my colleague said, it is cyclical and it is down to whether an alcohol company at that particular time wants to be involved with one of our competitions. I would say over the last eight or nine years it has been about the same. There was a period of time before that in terms of relativity when it was less and there may be a time in the future when it is more.

Q1303 Charlotte Atkins: What is the story behind Liverpool Football Club giving up its sponsorship agreement with Carlsberg?
Mr Bush: You would have to ask Liverpool Football Club for the detail. They have had a long association, one of the longest running sponsorships for any of our clubs. I think it is very straightforward: they have new ownership, new management, all these contracts are time-limited and they went out to the marketplace and obviously Liverpool has a huge reach around the world and a finance company with a large reach around the world decided they wanted that association. I think there is a general trend. It is obscured by individual financial deals but there is a general trend that because the Premier League wants to be careful about its reputation and wants to behave responsibly I am not saying it becomes less attractive to alcohol brands to sponsor but they are well aware of the kind of constraints that it involves. For companies that suffer fewer constraints for the obvious reasons, and I was about to say banking but perhaps that is not obvious, banking and finance and technology companies and so on do find it easier. Also, we have a very strong international presence, and it is growing, and there are parts of the world where culturally alcohol has what we might describe as less prominence than in the UK. Again, you can see where a company that sells all around the world, regardless of the religious and cultural background, might find it more attractive to be associated with Premier League football than an alcohol brand which finds itself regionally more constrained. That is the long way round to saying over 15 or 20 years the proportion of income that Premier League clubs and the League itself takes from alcohol is a diminishing proportion of our total revenues.

Q1304 Chairman: Could I ask you in relation to that to quantify what you mean. Shirt sponsorship seems an obvious one, and as you say there are two Premiership clubs and one League club now with shirt sponsorship from alcohol and competition sponsorship, but what about advertising on grounds?
Mr Thomson: A number of our clubs will have individual alcohol brands that will purchase whether it be a page in a match programme or an advertising board around about the ground and that brand may have a supply deal with the club to provide the club with products for its in-stadia bars. That is something that would be quite normal.

Q1305 Chairman: The links are more than just competition and shirt sponsorship but you have no idea how much of that is on an individual club basis?
Mr Thomson: I am afraid not.

Q1306 Chairman: You are probably far too young to be able to answer this, but I am going to ask it anyway. I am in my fifth decade of supporting Rotherham United Football Club and I have travelled and seen most grounds in different shapes and forms with all the investment there has been over those nearly 50 years. You never used to see any tobacco advertising at football grounds. Certainly there was no shirt sponsorship when sponsorship of shirts came along. There was never any tobacco advertising on League football grounds at all. Do you know why?
Mr Thomson: I am afraid you are right.

Q1307 Chairman: It was not illegal. It intrigued me that I had never seen any at a football ground and it was not illegal. We had quite an argument in here to get it banned from the rest of society. You do not know.
Mr Thomson: I am afraid I cannot answer that.

Q1308 Chairman: Could I tempt you to see if you could get somebody back at the Premiership or the League who could answer that question. They might be retired now! I would be intrigued to know why such a popular sport never carried tobacco advertising. I am pleased as well, but that is a different matter.
Mr Thomson: I will undertake to do that.
Chairman: Could I thank you both very much indeed for coming along and giving evidence to this inquiry this morning. Thank you.

Written evidence

Supplementary note to Questions 1059–1064 (AL 01A)

ALCOHOL

Thank you for the opportunity to give evidence to the Committee. I am writing to follow up the Committee's oral evidence hearing on 16 July 2009 and to meet my commitment to provide additional information on the respective roles played by alcohol, obesity and hepatitis in liver disease.

The most up-to-date evidence and comprehensive data on the causes of liver disease are being brought together in a new report, which is due to be published shortly. This report has been produced by Bell Pottinger at the request of the Department of Health, which also provided financial assistance.

I enclose an extract from that report for you ahead of publication which shows clearly the detailed breakdown of the respective causes. I would ask that you treat this extract with discretion until the full document is published. I will ensure that the full report is sent to you as soon as it becomes available, which I expect to be at some stage during the Recess, probably during August.

At that time, I understand that there should also be some more news on how a national strategy will be developed to help the NHS deal with the forecast increase in cases.[1]

Sir Liam Donaldson
Chief Medical Officer

23 July 2009

Supplementary memorandum by the Department of Health (AL 01B)

I. EFFECTIVENESS OF GOVERNMENT CAMPAIGNS

Government campaign strategy

- The Government campaign strategy targets the kinds of harmful drinking that puts health at risk.
- While the programme of campaigns provides information and education for all drinkers, the priority groups are:
  - Children and young people under 18 who drink alcohol, many of whom are drinking more than their counterparts did a decade ago.
  - 18–24 year old binge drinkers, who are putting their health at risk and a minority of whom who are responsible for the majority of alcohol-related crime and disorder in the night-time economy.
  - Harmful/higher-risk drinkers, many of whom do not realise that their drinking patterns damage their physical and mental health and who may also be causing harm to others.

Objectives of the Government campaigns

- In the Government's 2007 strategy, we set ourselves the following objectives:
  - Most people will be able to estimate their own alcohol consumption in units;
  - Most people will be able to recall the Government's sensible drinking guidelines and will know the personal risks associated with regularly drinking above the sensible limits; and
  - Most people will be able to recognise what constitutes their own or others' harmful drinking and will know where to go for advice.

It is against these objectives that the success of the campaigns is measured, and levels of Public knowledge and awareness have increased already.

These objectives recognise that education on its own is not effective in bringing about behaviour change. This is clear from Government and other research. (eg See extract from *Review of the evidence base around effective alcohol harm reduction communications,* prepared for COI Communications, on behalf of Department of Health and Home Office, September 2005).

Nevertheless, education is effective as *part* of a wide-ranging programme of policy interventions, as part of the wider Government alcohol strategy.

The four elements of our approach comprise:

(i) Informing and supporting people to make healthier and more responsible choices: eg through our national campaigns and providing education and information.

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[1] The Bell Pottinger report was not commissioned by me and I have been informed that the Department of Health has said that it will not be published separately but will be included in the analysis content in the National Liver Strategy.

(ii) Creating an environment in which the healthier and more responsible choice is the easier choice: eg through our licensing and enforcement regimes for alcohol retailing

(iii) Providing advice and support for people most at risk: eg through early identification and treatment of people whose alcohol consumption is damaging their health

(iv) A delivery system that effectively prioritises and delivers action on alcohol misuse: eg through strengthening local commissioning of services and additional central and regional support, alongside local accountability.

Main Government campaigns

— The Government campaign programme comprises two central strands for drinkers:

— a "binge drinking" campaign, starting in 2006, which, from June 2008, is challenging the public acceptability of drunkenness and highlighting the attendant personal and social consequences.

— a "units" campaign, from May 2008, to improve the public's knowledge of alcohol units and the recommended alcohol consumption guidelines and of the link between alcohol consumption and health.

— Alongside national advertising, the campaigns include a helpline and the development of a range of new kinds of information and advice, all available nationally.

— For the pilots for higher-risk drinkers, there is also a world first in interactive web-based support and advice and the booklet *Your drinking and you.*

Efficacy of Government campaigns—Summary

— The success of Government *Know Your Limits* campaigns is assessed and evaluated robustly against Key Performance Indicators (KPIs) at regular intervals.

— The campaigns are gaining recognition and increasing people's awareness of units and lower-risk limits

— Early analysis of the campaign awareness KPI is promising with public recall running at 73%.

— Analysis of the recall KPI of the daily units guideline shows improvement, with a rise from 29% to 34% giving the correct answer.

— Requests for the booklet *Your drinking and you* outstripped expectations, prompting an early reprint. To date, over 30,000 have been requested

Evaluation of the Know your limits—units campaign

Summary of impact

— In line with all campaigns run by the Department, DH carried out pre and post campaign tracking.

— The campaign is performing well, as measured by good campaign awareness levels and increases in knowledge of units.

— There were 522 respondents to tracking research undertaken at *mid wave* (ie after the initial burst of advertising).

— The tracking research was carried out by TNS from 16 June—7 July 2008. (NB. This evaluation took place before the second wave of the campaign, which addressed the health consequences of drinking).

Level of recall

TV advertising was the key factor in driving unit awareness—69% of respondents claimed it as their source of information. 61% said that, having seen the TV adverts, they had a better idea of the number of units in alcoholic drinks.

— Recognition of DH advertising was 66% (COI average for similar spend campaigns is 64%).— Rising to 73% when prompted.

— Recognition is higher amongst the 25–34 age group, at 85%, C1, C2s and harmful drinkers.

— Radio adverts had low recognition overall at 21% (COI average 34%) although they worked well for the higher risk drinkers audience.

— Printed adverts worked well, with 38% recognition, against a COI average of 22%—with wine and lager doing especially well.

Knowledge of units

— More people are claiming knowledge of units already, but, when tested, this was still lower than claimed. However, there is a definite correlation between improved knowledge and the advertising campaign, for example, there were increases in units knowledge for wine:

— At the *pre-wave* (ie before the campaign) only 7% of drinkers correctly said that there were 10 units in a bottle of wine (13.5% ABV) but this rose significantly to 13% at the mid-wave (after the initial burst of advertising);

— At the pre-wave, only 6% correctly said there were three units in a large glass of wine (250ml at 12.5% ABV) but this rose significantly to 21% at the mid-wave.

— There has also been an improvement in the proportion of people giving the correct daily units guideline figures, from 29% to 34% saying that the recommended maximum number of units per day for men is 3–4, and 37% (up from 34%) giving the correct answer of 2–3 for women.

Campaign reach

— The campaign is reaching a good proportion of the population:

— 85% 25–34

— 78% 35–54

— 72% 55–64

— 55% 65+

— The campaign is doing particularly well with higher-risk drinkers; with 81% reach (73% lower-risk drinkers and 70% increasing-risk drinkers).

— Respondents' emotional engagement was low, but in line with the results received on the binge drinking campaign, and good, considering the units message is one that people do not want to take on board. (The "brick wall of refutability" is highlighted as a key challenge in the strategy).

— General impressions of the advertising are generally positive, with 3/4 of people saying it offers good advice.

— Relevance hovers at around 50%, where people believe the adverts are for "people like me" but varies for different groups. It is higher for 25–34s (67%) and harmful drinkers (57%) and lower for 65+s (22%).

At this stage of the campaign, shifts in attitudes are not really to be expected. Nonetheless, there has been an acceptance of the situation in the UK, with an increased agreement that we "tend to drink more than is good for us"; from 77–82%. (This has clearly been influenced by the campaign; for those aware of the campaign it rises to 85%, and for those not aware the figure is 72%).

However, again as expected at this stage, there is work to be done to maximise the campaign's relevance across different groups in society and to motivate people to address the amount that they drink. (When asked if they should cut down on the amount that they drink, 66% of higher-risk drinkers and 54% of increasing-risk drinkers agreed they should).

Know your limits Website tracking survey

Use and usefulness of Units Website

Topline results on website use (19 May 2008—22 October 2008)

Visits (Could include repeat visitors)	345,400
Unique visitors (Those who visited the site once only)	312,990
Page views	1,122,895
New site visits	90.57%

Fieldwork

Fieldwork was conducted from 16 July—8 August 2008, with 613 responses in total. The results are extremely promising with:

— 74% rating the website as *excellent* or *very good*, and most (81%) claiming they would recommend the site

— 95% found the information easy to understand

— 38% claimed they will try to keep track of what they drink

— 33% will discuss units of alcohol with friends, family or colleagues

— 31% will try to stay within the recommended daily limits.

TNS Presentation to DH, HO and COI

The TNS full presentation of the above interim findings from the TNS evaluation of the *Know Your Limits—Units Campaign* was given to DH, the Home Office and the Central Office for Information in September 2008.

Know Your Limits—Units Campaign—Background information

Reasons for the campaign:

— There are people of all ages who do not know their units or the guideline daily amounts for sensible drinking.

— Over the years, glass sizes and measures have increased, and so has the alcoholic content of many drinks. This makes judging units harder.

— Some people are still not aware of the links between alcohol consumption and harm to health.

Context of the campaign:

— In October 2006, the Home Office and DH launched the first ever *Know Your Limits campaign* aimed at 18–24 year old binge drinkers. This ran again in October 2007 and January 2008.

— In May 2008, the *Know Your Limits* campaign, included unit awareness. This *Units* campaign targets all drinkers over the age of 25.

— The Units campaign launched in May 2008 and a further burst ran from November 2008, through to the end of January 2009.

Content of the campaign:

The campaign had two phases. Phase one focused on helping people (25+) to understand how many units there are in the alcohol they drink. Phase two promoted an understanding of the link between drinking alcohol and ill health.

The first burst of the campaign in May 2008 featured TV, outdoor, radio, press and online activity (including a new website nhs.uk/units). The campaign also included the provision of information and educational materials aimed at GPs and NHS staff.

Overall objectives of the campaign:

— to increase awareness of the units of alcohol in the most common drinks amongst the adult population aged 25+;

— to increase awareness of the recommended guideline daily amounts for sensible drinking (2–3 for women/3–4 for men);

— to increase understanding amongst the adult population of the health consequences of regularly exceeding the guideline daily amounts;

— to highlight sources of support to change drinking habits.

Note on the social marketing approach

Social marketing: *The systematic application of marketing concepts and techniques to achieve specific behavioural goals for social or public good.*

It's our health published by the independent National Consumer Council in 2006 recommended a move away from advertising-led public health communications focusing largely on awareness-raising, toward a *social marketing* approach, based on evidence, customer insight, and ultimately measured against behaviour change. (Evidence to support the efficacy of social marketing is set out in *It's our health*[2]).

The Government's social marketing programme for alcohol began in 2007 and has been built into its campaign work. Since May 2009, the programme has been featured as World Class Practice by the National Social Marketing Centre.[3]

II. Alcohol-Related Mortality

The Office for National Statistics ONS tracks the deaths directly attributable to alcohol. Death statistics for alcohol, published on 27 January 2009 for the UK show that:

— the trend in the rate of alcohol-related deaths is now levelling out, following rapid increases from the early 1990s, but;

— there were 8,724 alcohol-related deaths in 2007, more than double the 4,144 recorded in 1991;[4]

[2] http://www.nsms.org.uk/public/default.aspx?PageID=48
[3] http://www.nsms.org.uk/public/CSView.aspx?casestudy=98
[4] ONS statistics on alcohol-related deaths in the United Kingdom 2007.

— in 2007 the alcohol-related death rate for all persons was 13.3 per 100,000 population, compared with 6.9 per 100,000 in 1991; and[5]

ONS DATA ON ALCOHOL-RELATED DEATHS

Year	*Number of deaths*
2000	6,884
2001	7,499
2002	7,701
2003	8,164
2004	8,221
2005	8,386
2006	8,758
2007	8,724

— the Department aims to work with ONS to establish a broader estimate, which may well give higher figures than those published to date.

Estimated number of alcohol-related deaths per annum: NWPHO

— The North West Public Health Observatory estimates that the 2006 total for alcohol attributable mortality was 16,236[6]

— The NWPHO uses a more comprehensive method for calculating the number of alcohol-related deaths, which is broadly consistent with the alcohol-related admissions data in terms of the causes of alcohol-related ill health and death.

— The data published in the local alcohol profiles by the North West Health Observatory use a larger set of conditions (45) than ONS, including those that are partially attributable to alcohol.

— These figures remain an estimate (as with the alcohol-related hospital admissions figures) and NWPHO have estimated the proportion of deaths attributable to alcohol using information from medical research and survey data.

— The latest figures returned show alcohol-related death figures of 10,922 for males and 5,314 for females.

— Although these figures may still be an underestimate, they do provide a reliable indication of trends and point to a slight fall among males and a fairly constant rates among females.

NWPHO has published the rates (but not the underlying numbers) for 2003–2006. These show:

	2003	*2004*	*2005*	*2006*
Males	41.10	40.16	40.17	39.75
Females	16.20	16.22	16.03	16.17

(These rates are direct standardised rates per 100,000 population).

Deaths from liver disease

— Chronic liver disease is the fifth most common cause of death in the UK. (Its primary causes are alcohol, hepatitis B or C infection and obesity).

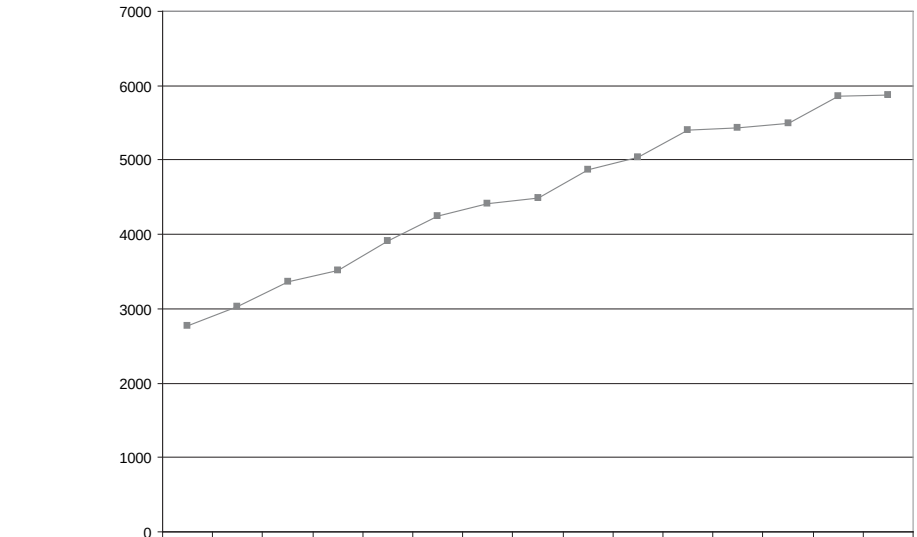
— For men, the number of deaths per million from liver disease has more than doubled from 76 million in 1991 to 162 million in 2007.

— Between 1993 and 2006, the number of deaths from chronic liver disease in England more than doubled, from 2,774 to 5,852 and in 2007 it had reached 5,881.

[5] ONS statistics on alcohol-related deaths in the United Kingdom 2007.
[6] NWPHO (www.nwph.net/alcohol/lape/download.htm)

— Increasing numbers of younger people are contracting and dying from liver disease the average age at death from chronic liver disease is 59.

Mortality from CHRONIC liver disease in England, 1993 to 2007, number of deaths



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
number of deaths	2774	3021	3367	3520	3915	4241	4415	4488	4871	5034	5406	5439	5488	5852	5881

Alcohol consumption

— Excessive alcohol consumption is associated with between 15,000 and 22,000 deaths per annum.[7]

— In 1991 alcohol related deaths peaked at age 70 for both men and women. By 2005, the peak age for these was between 55 and 59.

— HM Revenue and Customs (HMRC) excise data on duty paid clearance for the domestic market showed a sustained rise in overall consumption up to 2004.

— HMRC data show a 24% increase in consumption between 1995 and 2004 with a fall of 2% in 2005 to 11.54 litres followed by a levelling out.

— HMRC data on clearances for 2007–08 suggested that the average adult in the UK purchased the equivalent of 11.53 litres of pure alcohol over the year. Self reported figures produced by GHS are very considerably lower, indicating that people are drinking far more than they think.

III. Antabuse

— *Antabuse* is the trade name for the drug disulfiram.

— It is a sensitising agent that produces an unpleasant reaction when taken with alcohol.

— It is one of the medications that can be used as an adjunct to the treatment of alcohol dependence

— It is used for relapse prevention in recovering alcoholics, after they have undergone detoxification and achieved abstinence.

— When taken under supervision to ensure compliance, it can be an effective component of relapse prevention strategies.

— However, there are unresolved research questions about its long-term effectiveness and there is no clinical consensus on its use.

How Antabuse works for the patient

The dependent drinker experiences unpleasant, negative consequences from drinking alcohol or anticipates this reaction.

These expectations may help stop them drinking. However, this effect may only persist while the drug continues to be taken. For this reason, provision of Antabuse may be more effective alongside a care plan involving additional psychosocial interventions.

[7] *Safe Sensible Social The next steps in the National Alcohol Strategy*, 2007.

How Antabuse works

Disulfiram inhibits the liver enzymes which would otherwise breakdown acetaldehyde, which is the principle metabolite of alcohol. Acetaldehyde is toxic and if the patient drinks alcohol while taking the drug he or she can experience flushing, sweating, tachycardia, nausea, vomiting and throbbing headache.

Use and Contraindications

The British National Formulary (BNF) advises that disulfiram is indicated for use only under specialist supervision, and details the contra-indications of use and potential side-effects.

Antabuse is contraindicated for patients with a number of health problems, including some associated with alcohol misuse, like cardiac failure, coronary artery disease, hypertension, and psychosis. (It is also contraindicated in pregnancy).

In addition, small amounts of alcohol included in many oral medications, even in mouthwash, used inadvertently, can precipitate an unpleasant reaction.

Current use and usefulness in England

Information on the use of *Antabuse* is not collected centrally other than in prescribing data. The table below shows the number of prescription items of Disulfiram (Antabuse) prescribed and dispensed in the community in England.

Year	*Disulfiram items (000s)*
2004	42.1
2005	42.3
2006	45.7
2007	47.0
2008	50.5

Source: NHS Business Services Authority

Antabuse is known to be used only in a small minority of cases of alcohol dependence in the UK. In the absence of a wide consensus on its use, Current provision is based on professional clinical judgement including discussion with particular patients about suitability in each individual case.

Currently, there is no consensus on the appropriate circumstances and extent of its use in the clinical management of alcohol dependence, nor on the duration of its use. Research reports suggest it has been widely used in the US in the past, despite limitations of the research evidence, but the extent of that use is not clear.

Action to improve knowledge

Following a referral by the Department of Health, the National Institute for Health and Clinical Excellence (NICE), is developing a clinical guideline on alcohol dependence and harmful alcohol use for England and Wales. As part of their review of the evidence on alcohol dependence treatment, NICE will be looking explicitly at *Antabuse.*

The NICE guidance will provide recommendations for good practice based on the best available evidence of clinical and cost effectiveness. NICE will identify any credible recommendations for re-positioning any interventions for optimal use, or changing the approach to care to make more efficient use of resources. The NICE guidance is due in January 2011.

Source of further information

Review of the effectiveness of treatment for alcohol problems National Treatment Agency for Substance Misuse, 2006. Inter alia, this document examines the research evidence on the use of Antabuse and notes that methodological problems make interpretation of the research data difficult.

Potential for further research

The MRC has identified addiction as a priority area for funding and developing the quality and extent of alcohol research will form a part of this. While we are not aware of any plans for further research specifically into disulfiram at this time, bids can be made to bodies such as the National Institute for Health Research for research in the NHS.

VI. National Alcohol Treatment Monitoring System (NATMS)

— Local health commissioners, in planning how they respond to alcohol problems in their area, need to consider whether current levels of provision for higher-risk and dependent drinkers are sufficient when deciding their priorities for future investment.

— Until recently, data was not routinely collected on individuals receiving specialist alcohol treatment services.

— From April 2008, all providers of specialist alcohol treatment have been asked to submit data to the National Alcohol Treatment Monitoring Service (NATMS) about clients receiving specialist treatment.

— The data will support the reduction of alcohol related hospital admissions and the wider Government strategy to reduce harm, and will provide information for commissioners on the provision of specialist alcohol services at a local level.

The NATMS process

Data is collected routinely and monthly updates are published on the NDTMS website. All or all most all providers of structured alcohol treatment are now reporting their data to the NATMS. Treatment and discharge data are updated each month and are provided at national level, SHA, PCT and service provider level.

"Year to Date" figures from NATMS indicate that 104,207 primary alcohol clients were treated in the year April 2008—March 2009 (around 10%, or 1 in 10, of the 1.1 million dependent drinkers). As these are new data, it is not possible to make a direct comparison with any previous year.

Nevertheless, these NATMS figures are heartening as they are higher than previous estimates of the numbers in specialist treatment. They indicate considerable movement towards the suggested objective of at least 15% that DH set for PCTs in its Commissioning Guidance in July 2009. For example, in 2005, the *Alcohol Needs Assessment Research Report* estimated that 63,000 (around 5.6%, or one in 18) of dependent drinkers in the country were treated for an alcohol problem in 2003–04.

The NTA make waiting times on alcohol treatment available to alcohol commissioners as part of their restricted access site. Nationally, there were 16,022 valid waits for a first alcohol intervention starting and 91% of these were within 6 weeks of referral.

NATIONAL ALCOHOL TREATMENT MONITORING SYSTEM (NATMS) DATA

WAITING TIMES (FIRST INTERVENTION), CLIENTS WITH ALCOHOL AS PRIMARY DRUG INTERVENTIONS (01/04/2008—31/03/2009)

Treatment modality	*Numbers entering treatment*	*% waiting less than 3 weeks*	*% waiting less than 6 weeks*	*Average Waiting Times (weeks)*
Total	*104,207*	*80*	*91*	*2.1*
Tier 3				
Community Prescribing	5,597	77	93	2.1
Structured Psychosocial Intervention	35,383	79	90	2.3
ALC—Structured day programme	5,745	88	96	1.4
Other structured treatment	40,527	81	91	1.9
Tier 4				
Inpatient detoxification	5,223	66	83	3.3
Residential rehabilitation	2,436	81	92	2.0

9,296 records did not specify the treatment entered.

September 2009

Supplementary memorandum by the Department of Health (AL 01C)

DEPARTMENT OF HEALTH MEETINGS WITH THE "ALCOHOL INDUSTRY"

DH meets with representatives of the alcohol industry (usually alcohol producers, on- and off-licensed retailers, and trade associations) as part of its delivery of the DH Alcohol Strategy to discuss:

— Industry responsibilities to avoid selling or promoting alcohol in ways that cause harm to consumers.

— Areas where Industry can and must contribute to consumer education and behaviour change within the commercial environment.

— How the major producers, retailers and trade associations can work together to contribute to the achievement of Government objectives.

— The industry's effective engagement as one of the relevant DH stakeholders, alongside the NHS, academic institutions and individuals, voluntary organisations, agencies and other interested organisations.

Listed as follows, by subject matter and by date, are details of meetings between DH ministers or officials, and industry representatives. Consistent with Freedom of Information (FoI) policy only the names of Senior Civil Servants have been included. A glossary of abbreviations is attached at Annex A.

Additionally, ministers and officials will have met with retailers such as Sainsbury's and Tesco to discuss numerous non-alcohol related issues, but which may have touched upon alcohol policy in passing. These meetings have not been noted here.

"Project 10"/Campaign for Smarter Drinking

The Campaign for Smarter Drinking, known previously as "Project 10" launched in September 2009. The Campaign was co-ordinated by:

— Richard Evans (Chair, Campaign for Smarter Drinking).

— Elizabeth Crossick (Director of Government Relations and Social Responsibility Europe, Brown-Forman).

Richard and Elizabeth briefed DH officials on levels of industry participation and the expected scope and content of the Campaign. These meetings usually included representatives of the Drinkaware Trust, to discuss Drinkaware participation and funding. Other industry delegates are noted:

22 January 2009 also with Philip Almond (Global Brand Director, Baileys Brand, Diageo) & Jeremy Beadles (Chief Executive, WSTA)

18 March 2009

3 April 2009

20 April 2009

23 April 2009

28 April 2009

12 June 2009 also with Shane Brennan (Public Affairs Director, ACS), David Long (Chief Executive, BBPA), Nick Bish (Chief Executive, ALMR), Paul Smith (Executive Director, Noctis) and Jeremy Beadles (WSTA).

17 June 2009

23 June 2009

The Campaign was launched on 8 September 2009. Dr Will Cavendish (Director of Health and Wellbeing, DH) attended the launch.

Drinkaware Trust Steering Group Meetings

Department of Health officials chair meetings of the Drinkaware Steering Group, which consists of representatives from Drinkaware and trade associations. Membership of the Group is at Annex B.

The Group convened on the following dates to agree appropriate levels of funding for Drinkaware, and the commitment expected from each of the major alcohol producers and retailers:

22 July 2009

19 August 2009

2 September 2009

15 September 2009

30 September 2009

14 October 2009

28 October 2009

10 November 2009

On 11 November 2009, the Secretary of State for Health, Andy Burnham, and the Minister of State for Public Health, Gillian Merron, hosted a summit to encourage industry to commit funding to the Drinkaware Trust. A list of the companies that attended is at Annex B.

Alcohol Labelling

The Government reached a voluntary agreement with the alcohol industry in May 2007, to introduce labels including unit and health information, including guidelines for consumption and advice on alcohol and pregnancy. Meetings between Department of Health officials and "alcohol industry" representatives to discuss evaluation of the agreement took place on:

12 March 2009 with Jeremy Beadles (WSTA), Edwin Atkinson (Director General, GVA), Andy Tighe (Senior Policy Adviser, BBPA), Bob Price (Policy Adviser, NACM), David Poley (Chief Executive, Portman Group)

31 July 2009 with David Poley (Portman Group), David Long (BBPA), Andy Tighe (BBPA), Andrew Opie (Director of Food and Consumer Policy, BRC), Bob Price (NACM), Edwin Atkinson (GVA), Campbell Evans (Director of Government Affairs, SWA) and Jeremy Beadles (WSTA).

Mandatory Code for Alcohol Retailers

The Home Office co-ordinated meetings with alcohol stakeholders to discuss proposals included in the consultation on the Mandatory Code for Alcohol Retailers (published 13 May 2009). A list of "alcohol industry" representatives invited to these events is included at Annex C. DH officials were present at the following meetings:

29 January 2009

2 February 2009

12 February 2009

17 June 2009

18 June 2009

23 June 2009

As part of the consultation process, the Home Office ran regional engagement events, including members of the licensed trade, licensing authorities, the police, health and other enforcement stakeholders. DH officials were presents at the following meetings:

7 July 2009 in Newcastle

9 July 2009 in Hull

14 July 2009 in Liverpool

16 July 2009 in Nottingham

21 July 2009 in Birmingham

23 July 2009 in Wisbech

28 July 2009 in Portsmouth

30 July 2009 in Cardiff

4 August 2009 in Weymouth

6 August 2009 in London

DH officials met with the WSTA to discuss the mandatory code on 29 July 2009.

Alcohol Strategy Group

Originally called the Alcohol Strategy Delivery Group, the Alcohol Strategy Group (ASG) oversees the implementation of the Government's alcohol strategy. It includes representatives from the Police, the NHS and Health NGOs. Bruce Ray (Bacardi Brown Foreman) and Grant Eastwood (Morrisons) were invited from the alcohol industry to ASDG meetings on the following dates:

1 January 2009, also with Rob Hayward (Chief Executive, BBPA),

23 March 2009

15 July 2009

14 October 2009

General Industry Engagement

November 2008

11 November 2008, DH official met with the Tourism Alliance, which included Kurt Jansen (Policy Advisor) and Mevin Cooper to discuss alcohol related issues.

26 November 2008, Dr Will Cavendish and other DH officials met with Alan Butler (Public Affairs Manager, Diageo) to discuss a meeting between Diageo and the Secretary of State for Health (listed below on 2 Dec 2008).

December 2008

2 December 2008, the Secretary of State for Health, Alan Johnson, met with Paul Walsh (CEO), Benet Slay (MD) & Alan Butler of Diageo to discuss various alcohol issues.

3 December 2008, Dr Will Cavendish and another DH official attended a Portman Group Council meeting. Members of the Portman Group Council are at Annex D. Richard Evans was also present.

5 December 2008, Dr Will Cavendish and another DH official met with Fenella Tyler (Chairman, NACM) and Bob Price (NACM) to be briefed about the UK Cider Industry.

January 2009

20 January 2009, Will Cavendish (DH) met with Alan Butler (Diageo) and Kate Blakeley (Head of Social Responsibility Diageo) to discuss various alcohol issues.

29 January 2009, Dr Will Cavendish and another DH official attended a breakfast debate, "Does the media make you reach for the bottle?" which was jointly organised by Editorial Intelligence and The Portman Group.

February 2009

11 February 2009, DH official met with Kieran Simpson (Director of Corporate Communications, Scottish & Newcastle) and Charlotte Elmer (Public Affairs Manager, Scottish & Newcastle) to discuss binge drinking.

16 February 2009, Dr Will Cavendish and another DH official met with Bernard Hughes (Head of Government & Public Affairs, Asda) and Paul Kelly (Corporate Affairs Director, Asda) to discuss various health issues, including alcohol.

March 2009

6 March 2009, Dr Will Cavendish and another DH official met with Alan Butler (Diageo) and Vicki Nobles (Corporate Relations Director, Diageo) to discuss various alcohol issues.

9 March 2009, DH official attending a meeting to discuss alcohol regulation.

April 2009

1 April 2009, DH officials attended a meeting held by the Scotch Whisky Association to hear their views on the WHO Global Alcohol Strategy.

8 April 2009, DH official met with representatives from SAB-Miller to discuss various alcohol issues.

May 2009

28 May 2009, DH official met with Vicki Nobles (Diageo) and David Poley (Portman Group) to discuss various alcohol issues.

June 2009

2 June 2009, DH officials attended a meeting of WSTA'S Public Affairs Directors.

23 June 2009, DH official met with Shane Brennan (ACS) to discuss the proposed mandatory code for alcohol retailers.

July 2009

July 2009, Introductory meeting between Chris Heffer (Deputy Director—Alcohol & Drugs, DH) and Jeremy Beadles (WSTA).

29 July 2009, DH officials attended a meeting of WSTA's Public Affairs Directors.

August 2009

26 August 2009, DH official met with representatives from the 'alcohol industry' to discuss various alcohol issues.

27 August 2009, DH official met with representatives from Tesco to discuss various alcohol issues.

September 2009

16 September 2009, Chris Heffer (DH) attended a WSTA conference.

17 September 2009, DH official met with Campbell Evans (SWA) to discuss the WHO Global Alcohol Strategy.

21 September 2009, DH official met with the Portman Group to discuss various alcohol issues.

25 September 2009, DH official had a catch-up meeting with representatives from SAB-Miller to discuss recent developments in alcohol policy and related activities undertaken by SAB-Miller.

October 2009

7 October 2009, Chris Heffer and another DH official met with Alan Butler (Diageo) and Vicki Nobles (Diageo). This was an introductory meeting between Chris and Alan to discuss all relevant alcohol issues.

7 October 2009, Chris Heffer and another DH official met with Mark Hunter (CEO, Molson Coors Brewing Co) to discuss responsible drinking/social reference pricing.

22 October 2009, DH officials attended an Alcohol Strategy Corporate Social Responsibility Group meeting. Also attending from the "alcohol industry" were Alison Gardiner (Public Affairs, BRC), Rob Hayward (BBPA), Jeremy Beadles (WSTA) and David Poley (Portman Group).

27 October 2009, DH official met with Campbell Evans (SWA) to discuss the WHO Global Alcohol Strategy and the EU Council of Ministers draft Conclusions on alcohol policy.

November 2009

23 November 2009, Chris Heffer (DH) met with Brigit Simmons (Chief Executive, BBPA)

27 November 2009, Chris Heffer and another DH official met with Heineken UK representatives to discuss their social responsibility initiatives.

December 2009

2 December—Minister of State for Public Health, Gillian Merron, met with the British Retail Consortium to discuss a range of issues, including how BRC members could better inform consumers around alcohol.

Annex A

GLOSSARY OF ABBREVIATIONS

DH = Department of Health

WSTA = Wine and Spirits Trade Association

ACS = Association of Convenience Stores

BBPA = British Beer and Pub Association

ALMR = Association of Licensed Multiple Retailers

GVA = Gin and Vodka Association

NACM = National Association of Cider Makers

BRC = British Retail Consortium

SWA = Scotch Whisky Association

Annex B

INVITEES TO DRINKAWARE TRUST MEETINGS

STEERING GROUP

Richard Evans (Chair, Project 10)

Jeremy Beadles (WSTA)

Elizabeth Crossick (WSTA)

Bruce Ray (Bacardi)

Dan Jago (Tesco)

Vicki Nobles (Diageo)

Philip Almond (Diageo)

Paul Hegarty (Coors)

Kay Wheelton (Co-op)

Francesca Woodhouse (Co-op)

Chris Edger (Mitchells & Butlers)

Alastair Scott (Mitchells & Butlers)

Erik Castenskiold (Mitchells & Butlers)

Fyl Newington (First Quench)

Sue Clark (SAB Miller)

Mike Short (SAB Miller)

Grant Eastwood (Morrisons)

Simon Harrison (Morrisons)

Richard Cochrane (Bibendum)
Brigid Simmonds (BBPA)
David Poley (Portman Group)
Andrew Opie (BRC)
Rob Phipps (BRC)
Derek Lewis (Chair, Drinkaware Trust)
Chris Sorek (Chief Executive, Drinkaware Trust)
Chris Heffer (DH)
Ian Whitehouse (DCSF)
Gaynor Denny (Welsh Assembly Government)
Donna Mackinnon (Scottish Government)

Drinkaware Summit
Jean-Manuel Spriet (Pernod Ricard)
Vicki Nobles (Diageo)
Mark Baird (Diageo)
John Armstrong (Global Brands)
Bob Price (NACM)
Stephen Oliver (Marston's)
Louise Foxwell (GVA)
Douglas Meikle (SWA)
Bruce Ray (Bacardi Brown-Forman)
Sue Allen (Daniel Thwaites)
Richard Taylor (Morrisons)
Nigel Bunting (Shepherd Neame)
Iain Newell (Gallo Europe)
Nigel Emms (Universal Brand)
Ashley Dean (Universal Brand)
Andrew Opie (British Retail Consortium)
David Poley (The Portman Group)
Paul Kelly (Asda)
Finn O'Driscoll (Beverage Brands)
Paul Hegarty (Molson Coors)
David Long (BBPA)
Deborah McCallum (JD Wetherspoon)
Richard Cochrane (Bibendum Wine)
Francesca Woodhouse (The Co-operative Group)
Deepak Malhotra (Constellation)
Kieran Simpson (Heineken UK)
Alastair Scott (Mitchells and Butlers)
Gareth Roberts (Carlsberg)
John Walter (Beam)
Shane Brennan (ACS)
Gilly Mackwood (Moet Hennessy)
Mike Kelly (InBev)
Chris Mason (First Drink Brands (subsidiary of William Grant))
Alex Rimmer (Nisa Today's)
Antonia Norman (Marks & Spencer)
Jeremy Beadles (WSTA)

Elaine McCrimmon (SABMiller)

Elizabeth Crossick (Campaign for Smarter Drinking)

Richard Evans (Campaign for Smarter Drinking)

Nick Grant (Sainsbury)

Mike Kelly (InBev)

Ian Whitehouse (DCSF)

Andrew Cunningham (DCMS)

Rob Phipps (NI Assembly)

Andrew Burr (DfT)

Annex C

"ALCOHOL INDUSTRY" REPRESENTATIVES INVITED TO THE NATIONAL MANDATORY CODE CONSULTATION MEETINGS

ON-TRADE:

Dr Martin Rawlings	BBPA
Rita King	BBPA
Adam Fowle	Mitchells & Butler
David Elliott	Greene King
Derek Andrew	Marstons
Gerry Carroll	Enterprise Inns
Lynne D'arcy	Admiral Taverns
Peter Furness-Smith	McMullen & Sons
Philip Lay	S A Brain & Co
Ralph Findlay	Marstons
Roger Whiteside	Punch Taverns
Simon Emeny	Fullers Inns
Simon Kaye	Regent Inns
Stephen Gould	Everards Brewery
Willie Crawshay	Scottish & Newcastle
Jonathan Neame	Shepherd Neame
Nick Bish	ALMR
Kurt Jansonn	CBI
Brigid Simmonds	BBPA

OFF-TRADE:

Jeremy Beadles	WSTA
Shane Brennan	ACS
Andrew Opie	BRC
Alison Gardiner	BRC
Campbell Evans	SWA
Guy Mason	ASDA
Bruce Ray	Bacardi
John Walter	Fortune Brands
Claire Fowler	Beverage-brands
Elizabeth Crossick	B-F
Rick Connor	Chivas
Deepak Malhotra	CBrands
Francesca Woodhouse	Co-operative
Rachel Robertson	Diageo
Simon Mcmurtrie	Directwines
George Marsden	EJ Gallo
Fyl Newington	Firstquench
Anna Calver	Emea Fostersgroup
Antonia Norman	Marks-and-Spencer
James Clark	Sainsbury's
Eric price	Somerfield
Emma Reynolds	Tesco
Giles Fisher	Waitrose
Kate Rowley	Waitrose
Charlotte Elmer	S-B

Vicky Williams	BBR
James Lowman	ACS
Chris Lewis	Spar
Jonathon Bayne	Musgrave
Matthew Hughes	Bargain Booze
M Beher	Aldi

HOSPITALITY SECTOR:

Kurt Janson	Tourism Alliance
Sue Towler	Institute of Licensing
Liz Cleverly	Community Matters
Paul Davies	Civic Trust

MEETINGS WITH WSTA'S PUBLIC AFFAIRS DIRECTORS: 02/06/2009 & 29/07/2009

John Walter	Beam Global
Amy Hefford	WSTA
Sarah Davis	WSTA
Jeremy Beadles	WSTA
Jacqui Jackson	Spar
Stephen Hogg	WSTA
Philip Malpas	Constellation
David Ward	Tesco
Greg Wilkins	Brand Phoenix
Clare Fowler	Beverage Brands
Francesca Woodhouse	Co-Op
Bruce Ray	Bacardi
Alison Gardiner	BRC
Rachael Robertson	Diageo
Martin Campion	Direct Wines
Anna Calver	Foster's
Anna Brown	Sainsbury's
Richard Taylor	Morrison's
Guy Mason	Asda
Rick Connor	Pernod Ricard

Annex D

ATTENDED PORTMAN GROUP COUNCIL

Bruce Ray (Director of External Affairs, Bacardi Martini UK),

Karen Salters (Managing Director, Beverage brands),

Elizabeth Crossick, Director, Govt Relations and Social Responsibility, Europe, Brown-Forman),

Isacc Sheps (CEO, Carlsberg UK),

Gareth Roberts (Head of Sponsorship and Media Relations, Carlsberg UK)

Mark Hunter (CEO, Coors Brewers UK)

Benet Slay (CEO, Diageo Great Britain)

Stuart Macfarlane (CEO, Inbev UK)

Jean-Manuel Spriet (CEO, Pernod Ricard UK)

Nigel Pollard (Head of Communications, Scottish & Newcastle)

David Poley (Portman Group)

Michael Thompson (Portman Group)

Jo Booth (Portman Group).

Supplementary memorandum by the Department of Health (AL 01D)

I am writing further in response to the matter you raised with me about the care of patients who are intoxicated when they present for treatment at hospital A&E departments. You raised the question of payment for this in the context of the recovery of NHS costs following road traffic accidents (RTAs).

A&E departments see acute health harms resulting from a wide range of human activities, lifestyle choices and misadventure. Acute instances of health harms resulting from alcohol misuse present at A&E alongside the other accidents, poisonings, para-suicides, falls, sporting injuries etc. Nevertheless, the NHS has never sought to single out any avoidable injury, illness or health harm, nor to charge the patient for any treatment required.

Following RTAs, the recovery of NHS treatment costs made under the Injury Cost Recovery scheme arises only where there is a successful claim for personal injury compensation.

Our proactive approach is to invest resources in prevention, to save on NHS costs in the future. This means tackling issues like smoking, obesity, lack of exercise and misuse of alcohol to prevent the associated health harms from occurring. For alcohol misuse, preventive action to reduce consumption, early interventions and effective treatment for alcohol dependence reduce both short-term health harms, like accidents and poisonings, and longer-term consequences, like cancers and cirrhosis.

It is now widely recognised that every £1 invested in interventions and treatment to address alcohol misuse saves the economy £5. Of this, £3 is a direct saving to the NHS. Improving the way the NHS tackles alcohol misuse, which we are seeking to do through the Alcohol Improvement Programme, is thus very much in the economic interest of the NHS, as well as in the interests of the population.

I am attaching some further information for the Committee, on the care that hospitals may provide for intoxicated patients and on the payments that may be made to NHS trusts following RTAS.

I hope this is helpful. Please let me know if you would like any further information.

V. NHS Care for Intoxicated Patients

NHS hospitals provide a range of facilities and approaches to meet the needs of patients presenting at A&E following injuries, accidents, poisonings etc.

If patients are also drunk on arrival, clinicians are presented with an additional hurdle in assessing the extent of other injuries or illness that these patients may have, and which their intoxication may conceal.

The NHS has a duty of care to patients who are intoxicated who may be a danger to themselves or to others and who may also have other medical or mental health issues that need to be assessed and treated.

The governing principle is that a place of safety is required and therefore such patients need to be admitted and observed. The emergency care facilities most likely to be available to intoxicated patients presenting at a District General Hospital (DGH) A&E are a Clinical Decision Unit (CDU) or an Emergency Assessment Unit (EAU).

Clinical Decision Unit (CDU)

CDUs deal with A&E patients with a specific set of presentations where rapid diagnosis and monitoring is required. This might include, a head injury, chest pain, possible deep vein thrombosis or pulmonary embolism. CDUs are not in-patient wards and tend not to be open 24 hours a day. CDUs are not present in all hospital Trusts and tend to be confined to the larger Trusts.

CDUs may be used to place intoxicated patients who require monitoring and observation for more than the four hours that they might be expected to stay in A&E. Some intoxicated patients may also be placed there as they require psychiatric referral, which can take several hours to arrange, not least as psychiatrists may find it difficult to assess a patient until he or she is sober.

St Mary's Paddington and St Thomas' both have a Clinical Decision Unit as an extension of the A&E department. The CDU functions by rapid turnover and is designed to have 250% occupancy in 24 hours. The CDU provides a quieter environment for patients to receive time-critical investigation and/or time limited treatment for their illnesses. Some patients may stay a short time, eg awaiting a blood test result, others may remain on the unit up to 24 hours.

Patients go to the CDU if they are not fit to go home—but should be able to do so within 24 hours and do not warrant the involvement of specialist teams.

Emergency Assessment Unit (EAU)

EAUs are in place in most hospital Trusts. These units take either medical patients only, or medical and surgical patients and they cater for a much wider group of patients than CDUs. EAUs tend to be open 24 hours a day and will take referrals from GP's, or from A&E, and sometimes from outpatient clinics. Intoxicated patients requiring observation may be placed in EAUs where appropriate.

The purpose of the EAU is to allow a complete assessment of the patient, to determine whether they need to be admitted and, if so, to which type of ward (cardiac, gastro etc.) A typical patient might be an older person who has had a fall at home and their GP is concerned that there may be an undiagnosed medical cause. EAUs also deal with the CDU range patients, where no CDU is in place

Role of A&E, CDUs and EAUs in tackling alcohol misuse

When people who are severely intoxicated are admitted to CDUs and EAUs this presents an opportunity for interventions to tackle alcohol misuse. For example, the consultant at St Mary's advises that their CDU is fertile ground for referrals to their Alcohol Health Worker for brief advice and interventions.

In addition to providing brief advice, Alcohol Health Workers and specialist alcohol nurses in hospitals can identify dependent drinkers and refer them into appropriate treatment services. This has been shown to cover the cost of employing such a specialist nurse in as little as three months.

Extending the evidence base on interventions for alcohol misuse

DH is seeking to extend the current evidence on interventions for alcohol misuse in different settings. Since November 2007, it has been running the £4 million Screening and Intervention Programme for Sensible Drinkers (SIPS).

SIPS is testing intervention approaches for people drinking at increasing-risk or higher-risk-levels in three settings (A&E, GP practices, probation). Initial findings on best practice for each setting are expected in 2010.

VI. Recovery of NHS Treatment Costs Following Road Traffic Accidents

The Department of Health recovers NHS treatment costs relating to road traffic accident personal injury cases, but only where an injured person makes, and is successful with, a claim for personal injury compensation.

Hospitals have been able to recover the cost of treating victims of road traffic accidents for more than 70 years. The current scheme, the NHS Injury Costs Recovery (ICR) Scheme has been in force since 2007, when it subsumed the provisions of the Road Traffic (NHS Charges) Act 1999.

Operation of the scheme is carried out on behalf of the Secretary of State (for England and Wales) and the Scottish Government (for Scotland) by the Compensation Recovery Unit (CRU), part of the Department for Work and Pensions. CRU calculates how much will be payable in NHS charges, if the compensation claim is successful.

CRU uses a tariff system and the tariffs are uprated annually. Currently, these are £695 per day for in-patient treatment and a one-off charge of £566 for out-patient treatment. There is an overall cap on the amount that can be recovered in NHS charges for any one injury, currently standing at £41,545 (the equivalent of 60 days' in-patient treatment).

CRU issues a certificate to the person or body liable to pay the compensation confirming the amount due and collects the payment. CRU forwards the funds recovered to the relevant NHS trust(s) that treated the injured person. All monies recovered go direct to the NHS trust(s), not to central Government.

Gillian Merron
Minister of State for Public Health

11 December 2009

Supplementary note to Questions 803 and 804 (AL 18A)

In my evidence the Chairman requested that we try to respond to the question posed by Charlotte Atkins MP "that if all drinkers kept to the government's drinking guidelines how much sales revenue would you lose?"

It is very difficult to get a full, accurate picture of average alcohol consumption for all adult drinkers, because:

— there is no single source;

— there are different methodologies between sources;

— there are different measurements across years within the same sources; and

— there are different scopes between sources—eg UK vs GB vs England & Wales.

The General Household Survey and other ONS and HMRC statistics are the standard sources of information that we would use as a reference.

The most recent total UK alcohol sales (ie duty-paid clearance) figures from HMRC (HMRC Alcohol Fact Sheet 2008) are:

— 11.53 litres of pure alcohol per adult (aged 16 and over). This figure is problematic because:

  — It includes 16–18 year olds.

  — It is HMRC alcohol clearance (ie when duty is payable), not total sales and not total consumption.

  — Figure also includes alcohol bought by non-UK residents (on business or holiday) as well as alcohol bought and not yet consumed.

The General Household Survey 2006 specifically asks about consumption. 2006 GHS Table 2.1 provided figures for average GB weekly consumption for adults over 16 of 18.7 units (men) and 9.0 (women). These are below the weekly guidelines of 21 (men) and 14 (women). But the figures are problematic because:

— It includes 16–18 year olds.

— It includes non-drinkers.

— The question was not asked in 2007 for a more recent comparison.

The General Household Survey 2007 found that 72% of men and 57% of women "drank last week"—an average of 65.5% of all adults over 16. The figures are problematic because:

— It includes 16–18 year olds.

— GHS only asks about drinking "in the last week". It does not ask whether respondents never drink. So it would be incorrect to suggest that 34.5% of the population is teetotal. We do not know from these figures the correct percentage of adults who never drink, and so cannot extrapolate an average consumption among drinkers.

In summary, there is no single clear and consistent picture of alcohol consumption, and we recommend that the Committee requests one from the Government. GHS figures suggest that average consumption is within guidelines, and in the absence of other official statistics that is what guides us.

Andy Fennell
Chief Marketing Officer
Diageo

20 July 2009

Supplementary memorandum by Diageo (AL 18B)

In response to the further requests set out in the letter of 21 July, we are able to respond as follows:

(i) All the documentation that Diageo and Carat have on file relating to Smirnoff Appleback or Russian Cider was included in our original submission to the Committee.

A specific written brief would not have been given to Rob Mitchell regarding the Smirnoff Mixability campaign. However, the Smirnoff team wished to develop a marketing programme based around a specific product serve and the enclosed document, entitled "Mixability has a pivotal role in F05 and beyond", was created by Rob Mitchell and outlined the strategic thinking and concepts for two signature drinks. This document is contained within our original submission. The premise was that by delivering the right "product serve" with the right marketing support it would be possible to switch consumption from lager and into a proposed Smirnoff mixed product serve.

Consumer research of different product serves was then carried out by LINK Consumer Strategies. The notion of potency first surfaced in the debrief produced by LINK as an interpretation, made by LINK Consumer Strategies, of the responses from consumers. By its nature, this research was conducted with consumers and as such the debrief from LINK contained the views of consumers and the interpretation of those views by LINK, not Diageo.

Ultimately, following the end-to-end marketing process (as outlined in the Diageo GB Marketing Process flow chart enclosed (copies of which were shared by Andy Fennell at the Committee Hearing on 9th June)), the output of the Smirnoff Mixability project was the Smirnoff Appleback executions which were included in the original submission. Smirnoff Appleback was a finished drink, comprising a 50ml serve of Smirnoff, with ice and lemonade or ginger ale and equating to 1.9 units. This is clearly within government sensible drinking guidelines.

(ii) We are confused by the question that has been asked. There is no "link for the Smirnoff mixability research that produced the "pub man" slide. However, as stated above, "LINK" is, in fact, the name of the market research agency responsible for the debrief that contained the "Pub Man" slide. The "pub man" was developed wholly by LINK as an interpretation of their findings from consumer research and does not reflect the views, or strategic thinking, of Diageo.

(iii) We first commissioned the Smirnoff Online Reputation Reports in November 2007 from an online specialist at the PR agency, Splendid. From November 2007 to March 2008 these reports were provided to us monthly and thereafter have been provided on a quarterly basis.

The reports were commissioned as a means of understanding and measuring the levels of positive statements from consumers towards the Smirnoff brand in the digital space, particularly given the strong on line presence of one of our key competitors, Absolut. The reports enabled Diageo to measure whether our marketing activities for Smirnoff were making a difference in the digital space.

As the main focus of the reports is to monitor real consumers' views on Smirnoff, they also pick up on uses of Smirnoff imagery, logos or references in posts by consumers on non-Diageo social networking and blogging sites. These are personal posts by individual consumers and are not posts made by Diageo or its representatives.

The first Online Reputation report was written on 16 November 2007. The intention of the reports is set out in the summary on the front page of this first report, together with some of the concerns that can be associated with consumer's posts. Page seven of this report helps to put things in context—of over 500 Facebook sites that mention the word Smirnoff, only 36 have more than 100 members. The total reach of these 36 sites is c. 15k people (and Facebook has over 3 million users in GB).

In producing the report, Splendid has looked at each Facebook site with references to Smirnoff and the extent to which the material contained therein would have breached Diageo's Marketing Code. However, unlike Diageo generated online content which is subject to the Diageo Marketing Code and approval process, dealing with problematic user generated content on third party Internet sites is, by the very nature of the internet, almost impossible given the ease with which such content can be spread and replicated on different sites and forums and the resource that would be required to try and continuously monitor and police content. Indeed, Diageo has learnt from experiences on other brands that when a brand owner attempts to police references to their brands online this often has the effect of drawing attention to such content and therefore broadening its dissemination, which is clearly not what we would want to do.

However, one action that we believe has helped in this area is the creation of our own official Smirnoff Facebook page. This currently numbers over 61,000 members and we are able to monitor and remove content from this page that would breach the Diageo Marketing Code. A further development, which we believe should also assist in reducing, at least on Facebook, the amount of inappropriate content, is that Facebook has recently asked Diageo for the URL details of all official Smirnoff Facebook pages so that all other pages can be closed down by them. We would encourage site operators to adopt similar strategies. Our primary means of enhancing the online reputation of our brands, is to actively create positive consumer experiences that will result in positive posts. The kinds of action that we have undertaken in this area are encouraging consumers to attend Smirnoff events around the country, at which responsible consumption messages play a key part, and then subsequently post their comments, pictures and videos online on our official Facebook page, and hosting briefings for bloggers and providing them with exclusive information that they may choose to post in their blogs.

18 August 2009

Addendum to the memorandum by the British Association for the Study of the Liver (AL 20A)

During the course of the a recent verbal evidence session of the Health Select Committee it was suggested by a supermarket witness that UK patients with liver disease were generally 'alcoholics' and that as a result their drinking behaviour would not be susceptible to changes in the price of alcohol.

This assertion is entirely incorrect and the British Society for the Study of Liver Disease (BASL) would like to cite the following evidence in support of the need to tackle cheap alcohol if we are to substantially reduce deaths from alcohol related liver disease.

First; alcohol related liver disease is the most common cause of alcohol related death in the UK from the age of 35 upwards, causing in excess of 5000 deaths each year, with death still rising in 2007 the latest year for which data has been published.[8] Liver death rates are directly related to the overall consumption of alcohol within a population as can clearly be seen in EU countries with the largest changes in either alcohol consumption or liver death rates.[9]

[8] NHS Information Centre. Statistics on Alcohol, England 2009.
[9] Sheron N, Olsen N, Gilmore I. An evidence based alcohol reduction policy. Gut 2008 Jun 5.

Figure 1

DATA RE-PLOTTED FROM TABLE 4.12 STATISTICS ON ALCOHOL, 2009
NHS INFORMATION CENTRE

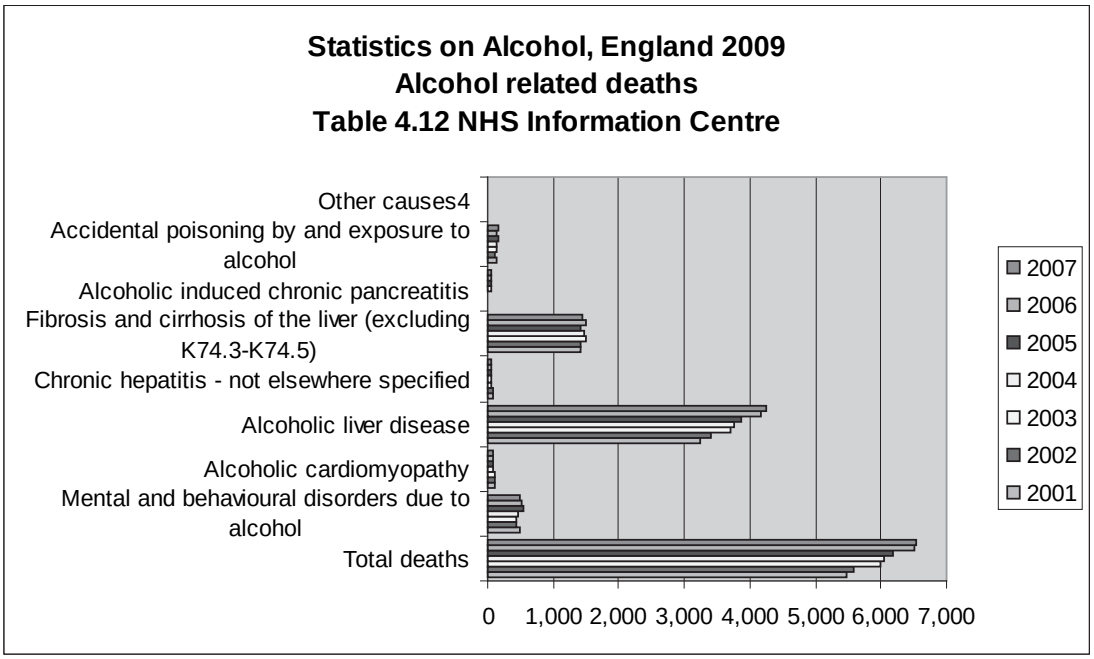
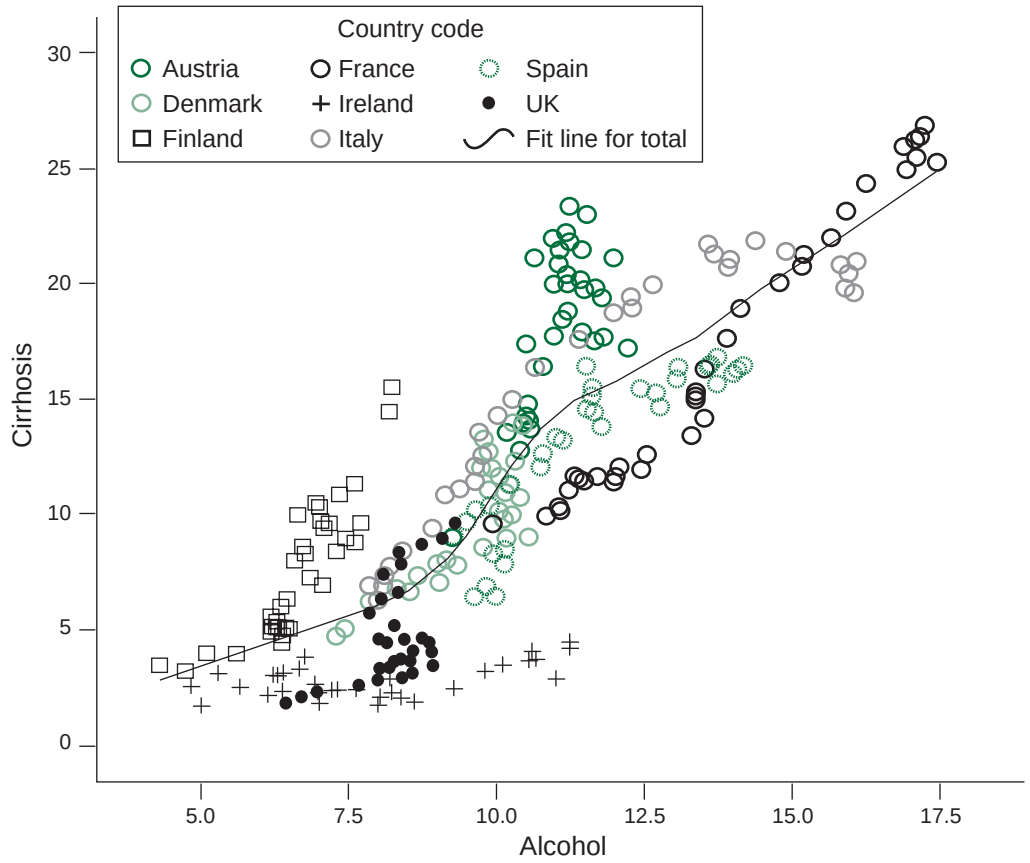


Figure 2

There are clear correlations between liver death rates and overall alcohol consumption (Pearson correlation $R = 0.83$, $p < 0.001$) but also country-specific differences in death rates at various alcohol levels. Finland appears to have a lower tolerance to alcohol than France or Spain, the UK being intermediate. The line of best fit was calculated using the Loess function in SPSS. (Data are from the WHO HFA database).



Second; most patients with alcohol related cirrhosis are not "alcoholics" as was stated but heavy regular drinkers with varying degrees of alcohol dependency; only a small minority have severe alcohol dependency.[10, 11] For very many of our patients the first indication that they have a problem is when they are admitted to hospital with fatal liver failure or fatal internal bleeding from oesophageal varices.

Third; liver death rates have nearly tripled since 1980 as a result of the increasing affordability of alcohol, and relationship between liver deaths and affordability of alcohol is extremely close was illustrated in the figure from GUT submitted in our first memorandum[12] (data on affordability—NHS Statistics on Alcohol 2006, and liver death rates WHO-HFA database). As can be seen the relationship between the two is extremely tight and highly statistically significant. A 70% increase in affordability was associated with a 150% increase in liver deaths—an elasticity of around 2.

Figure 3

Increases in liver death rates between 1980 and 2005 are clearly related to the increase in the affordability of alcohol.

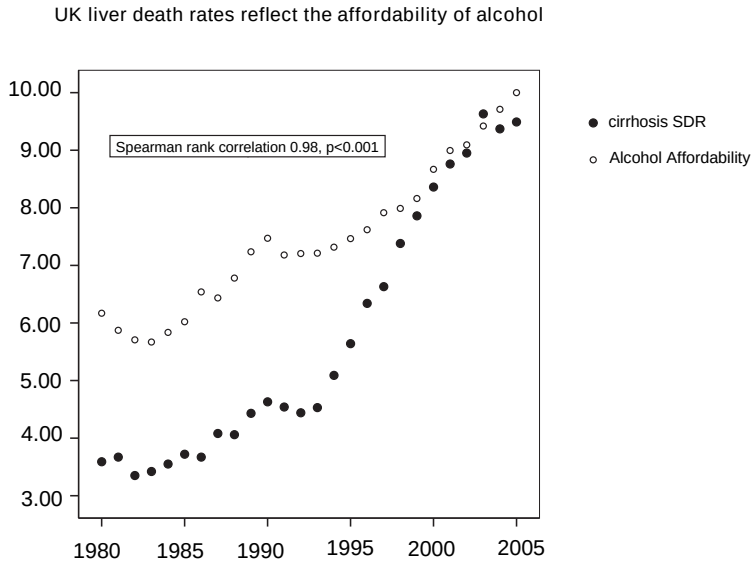
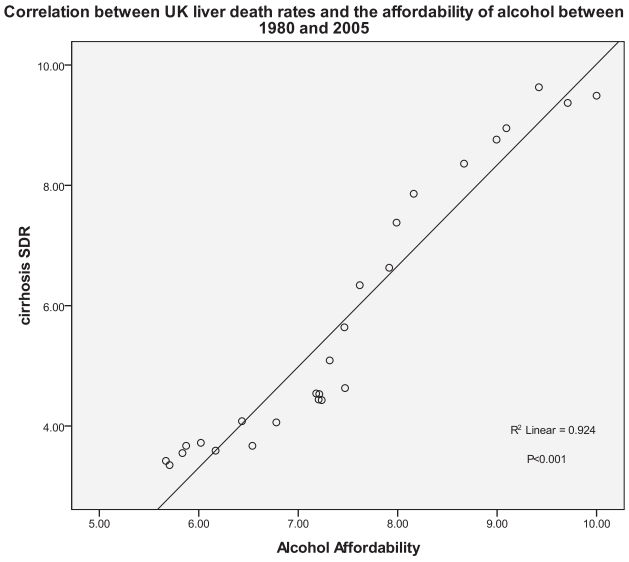


Figure 4

The peer reviewed data published in GUT, re-plotted to show the correlation between the death rates and affordability.



[10] Wodak AD, Saunders JB, Ewusi-Mensah I, Davis M, Williams R. Severity of alcohol dependence in patients with alcoholic liver disease. Br Med J (Clin Res Ed) 1983 Nov 12; 287(6403): 1420–2.

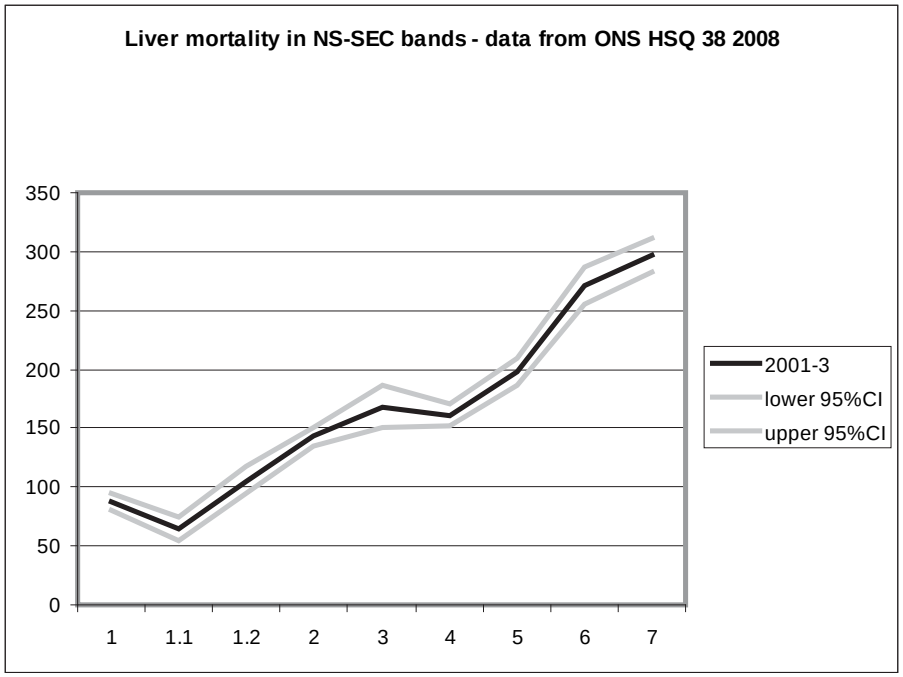
[11] Smith S, White J, Nelson C, Davies M, Lavers J, Sheron N. Severe alcohol-induced liver disease and the alcohol dependence syndrome. Alcohol Alcohol 2006 May;41(3): 274–7.

[12] Sheron N, Olsen N, Gilmore I. An evidence-based alcohol policy. Gut 2008 Oct; 57(10):1341–4.

Fourth; we believe the marked elasticity of liver death rates with regard to changes in the affordability of alcohol may be also related to the fact that mortality from liver disease is very strongly linked to income and social class.[13]

Figure 5

Liver mortality in England and Wales in various NS-SEC groups[14]
(1 = most affluent, 7 = least affluent).[15]



Fifth; the change in alcohol related mortality in different income groups following a 33% reduction in alcohol taxation in Finland suggests that the impact of fiscal change on death rates is felt strongly in all income groups with the exception of the most affluent, as might be expected. Far from being insensitive to changes in the affordability of alcohol, liver deaths rates are very sensitive—with the effect being greater in those income groups experiencing the most serious consequences.

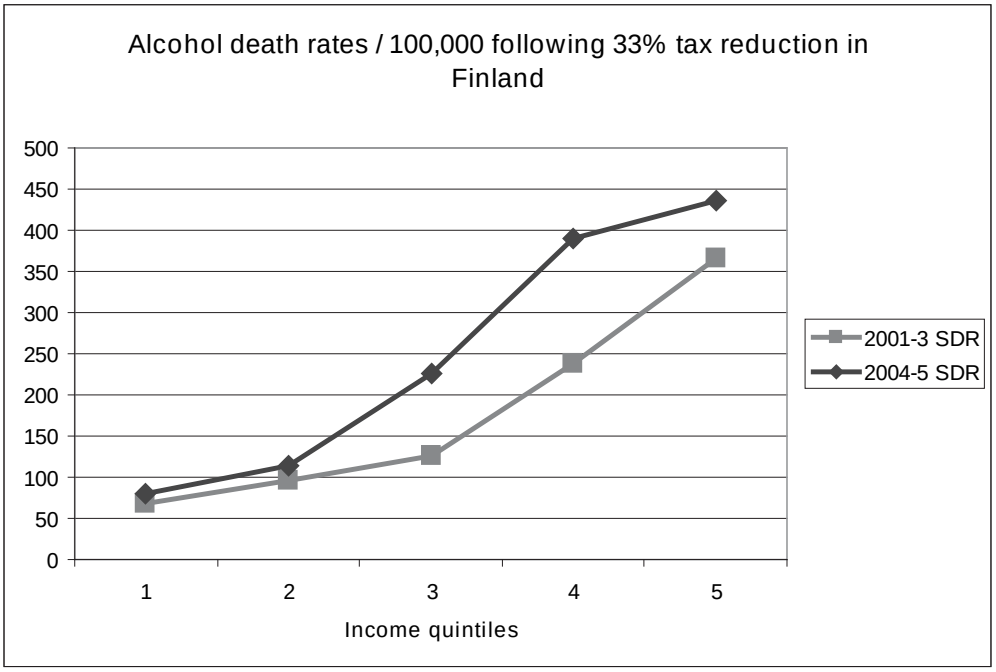
[13] Harrison L, Gardiner E. Do the rich really die young? Alcohol-related mortality and social class in Great Britain, 1988–94. Addiction 1999 Dec;94(12):1871–80.

[14] White C, Edgar G, Siegler V. Social inequalities in male mortality for selected causes of death by the National Statistics Socio-economic Classification, England and Wales, 2001–03. Health Statistics Quarterly 2009; 38: 19–32.

[15] 8 White C, Edgar G, Siegler V. Social inequalities in male mortality for selected causes of death by the National Statistics Socio-economic Classification, England and Wales, 2001–03. Office for National Statistics; 2009. Report No.: No. 38 Summer 2008.

Figure 6

Change in alcohol related mortality in Finland following the decrease in taxation that resulted from EU membership and the loss of import restrictions on alcohol.[16]



Sixth; BASL would like to point out that people develop alcohol related liver disease only after many years of regular heavy drinking. In the most recent study the median alcohol intake of patients developing significant alcohol related liver disease was 84 units/week. If the minimum price of alcohol was raised to 50p/unit as recommended by the Chief Medical Officer, this alcohol would cost £48/week compared with £10 for man drinking just under the Government recommended safe limit, almost a five fold increase. The only group in society heavily impacted by increases in the price of alcohol are the very heavy drinkers.

Finally; in the 2008 consultation document Safe, Sensible and Social (section 2.12, page 16), the Department of Health stated that three quarters of all alcohol sold in the UK is consumed by people who drink too much for their health.[17]

> 2.12. The rise in alcohol consumption has lead to the current rapid rise in alcohol harms. These harms are concentrated in the smaller share of the population who drink very large share of the total alcohol consumed. Analysis by DH suggests that 7% of the UK population who regularly drink more than twice the recommended limits drink 33% of all the alcohol consumed in the country. More than 10 million adults (26% of the population) drink regularly at levels that exceed government health guidelines. This accounts for 76% of UK alcohol consumption.

BASL respectfully submit that there is a balance to be found between the price of alcohol and the harm that it causes, and the balance needs re-adjusting.

November 2009

Further memorandum by Sainsbury's (AL 21A)

INTRODUCTION

We have been invited to give oral evidence to the Health Select Committee on the 15 October, as part of its inquiry into alcohol. Prior to the evidence session, the Committee requested we submit a written memorandum on the topics below, to supplement the written evidence we submitted in March (reference HC 368-II). We welcome this opportunity and are happy to provide any additional information on the areas covered in this memo, in advance of the evidence session.

For context, the key statistics about Sainsbury's (updated from our written submission to the Committee in March) are:

[16] Herttua K, Makela P, Martikainen P. Changes in alcohol-related mortality and its socioeconomic differences after a large reduction in alcohol prices: a natural experiment based on register data. Am J Epidemiol 2008 Nov 15; 168(10): 1110–8.
[17] 10 Department of Health. Safe, sensible, social—consultation on further action. 2008 Jul 22.

— 792 stores, of which 290 are convenience;

— 153,000 employees;

— over 18 million customers a week; and

— 30,000 food and drink products (around half of which are own-brand).

We are committed to driving positive behaviour change, both within our company and with our customers. Our experience shows us that change in consumer behaviour is most successful when it is incentivised and focused on education, rather than when change is imposed by regulation or restriction.

Health is at the heart of our business. One of our Corporate Responsibility principles is to be the best for food and health. Our goal is to offer our customers high quality, healthy, affordable products and to allow them to make informed and healthier choices. This includes alcohol. We have extensive experience of providing information and products to ensure our customers make healthier choices.

Minimum Pricing

While we understand the Committee's decision to review the reasoning behind a form of minimum pricing, we believe that minimum pricing is highly unlikely to reduce alcohol consumption for a number of reasons:

Unintended consequences

A policy of minimum retail pricing is likely to result in unintended consequences, which will undermine the overall objective of reducing alcohol-related harm. The conclusion (as suggested, for instance, by the Scottish Government) that linking the product strength to the retail price would help reduce alcohol consumption and thereby reduce alcohol-related harm is unsound. Minimum pricing will only—disproportionately—those households with lower or fixed incomes and may simply lead to a shift in product choice rather than a reduction in consumption.

We believe that a policy of minimum pricing could lead to increased cross-border "white-van" type sales. In Northern Ireland, we have seen this cross-border shopping in practice. Our Newry store regularly sees shoppers "commute" from Dublin to Newry to do their weekly or monthly shop. As a result our Newry store has the highest alcohol sales in the whole of our UK estate.

Even taking into account shipping costs, there is the real possibility of bulk internet overseas sales being more attractive to British consumers if a minimum retail price was introduced.

Evidence base/impacts

To date, there is no compelling evidence to link the low price of alcohol with excessive consumption or crime and disorder.

The Department of Health commissioned report from the School of Health and Related Research (ScHARR), Sheffield University, is frequently cited by Government officials in Westminster and Holyrood as the evidence base that minimum pricing would deliver significant reductions in alcohol consumption, particularly amongst those in hazardous drinking groups.

However, the Centre for Economic and Business Research (CEBR) has conducted a thorough analysis of the ScHARR study and has identified shortcomings in its methodology and presentation. The CEBR report suggested that:

> "pricing legislation is unlikely to have a significant impact on overall consumption levels of those drinkers that it is intended to target, unless price increases are set at very high levels, which would place an unfair burden on moderate drinkers."[18]

Introducing any scheme of minimum pricing would have a significant impact on our business and our customers. Therefore there must be a clear evidence base and cost-benefit analysis before the Government considers any policy based on this issue. Introducing minimum pricing without an evidence base would be disproportionate and not indicative of good policy making.

Cost to shoppers

In times of increasing pressures on household budgets, we question whether it is appropriate to introduce minimum pricing for alcohol. The assumption that this would divert customers' spending to essential items is misleading, as our research shows that even during this current pressure on household incomes and general "credit crunch", our customers are buying the same quantity but cheaper branded alternative alcohol.

At present, customers can shop around in order to achieve best value for money. Minimum pricing would put a stop to this and disproportionately penalise the majority of responsible customers.

[18] Centre for Economic and Business Research report "*Minimum Alcohol Pricing: A targeted measure?*" (June 2009), page 4.

Higher alcohol prices would disproportionately hit those customers on lower or fixed incomes. We would be surprised if any stakeholders pushing for minimum pricing meant this group to be targeted by these proposals.

Business impact

The introduction of minimum pricing for alcohol in our stores would mean substantial costs to our business, requiring us to add an extra level of complexity into our pricing systems. It would also make it difficult for us to be competitive in an increasingly tough trading environment.

We also believe that minimum pricing is anti-competitive and sets a worrying precedent in terms of Government intervention on price.

PROMOTIONS

We do not believe that increased purchasing of alcohol directly impacts on increased excessive consumption. There is little or no recent research into off-trade alcohol promotion sales which substantiates a clear link between the two. We believe that the issue is much more complex and involves getting to the crux of why people misuse alcohol in the first place.

As a food retailer, while our customers may buy alcohol on promotion, it is overwhelmingly part of their weekly shop. Customer transaction details show that just over 1% of weekly transaction sales are alcohol-only.

Our research also shows that the vast majority of our customers take advantage of promotions to either trade up to higher cost brands (particularly in the case of wine), or to stock up for special occasions such as family birthdays and summer barbeques.

A survey in 2007 by Ipsos Mori of our customers about their attitudes and buying behaviour towards promotions on beer found that:

— One third said they would buy a little more than usual, with nearly half saying they would buy "about the same".

— 48% said they would check to see if the brand of beer they like is on promotion and if not, they would still buy their preferred brand.

— 91% of customers said they would drink about the same in a month when purchasing beer in bulk.

— Only 23% said they tend to choose a beer based on its strength.

PLACEMENT IN STORES

The majority of our alcohol products are already stocked in a separate area in our stores. However, there are times throughout the year when alcohol is stocked in other sections of the store (such as the seasonal aisle)—during the lead up to Valentine's Day or Christmas, for example.

As regards to the permanent layout of our stores, the beers, wines and spirits aisle is generally located (depending on the size of the store) between household and frozen goods and opposite the grocery aisle. These aisles are at the opposite end of the store to general merchandise goods (toys, homewares, electricals) and clothing. In addition, promotional stacks or palettes may be used. The majority of these are found at the front of store or within the beers, wines and spirits aisle. Stores are encouraged to position alcohol either in the beers, wines and spirits aisle or at the front of store. However, positioning of alcohol is ultimately at the store manager's discretion.

We feel it would be disproportionate to suggest that all alcohol products, including seasonal and gifts, should be placed in one area as these products are clearly targeted at over 18s and could not be considered to link to binge drinking.

An unintended consequence of restricting the sale of alcohol to specific parts of stores would be that it would do little to "normalise" alcohol consumption. This proposal separates alcohol out from other goods, therefore encouraging alcohol to be consumed alone rather than in moderation with food as part of a meal.

From September, significant changes to how alcohol is sold came into effect in Scotland. We trialled some of the measures, including locating all alcohol in one area, at our store in Cameron Toll. The results suggest that we will incur significant costs in order to comply with the changes. It seems particularly unnecessary when it is at best questionable what impact the changes in legislation will have on public health.

RESPONSIBLE RETAIL

As a responsible retailer, we have devised and implemented a number of polices to educate our customers about alcohol at the point of sale. The Government needs to play a greater role, however, in educating children, parents and adults in general about the health effects and dangers of excessive drinking. While we are happy to play our part in communicating to customers, the Government should also consider how it can use education in schools to reach children and parents and directly influence attitudes and behaviours towards alcohol. While health is a devolved issue in Northern Ireland, Scotland and Wales, we would like to see consistency in the best practice that is promoted.

In January 2007, we became the first retailer to adopt the Department of Health's guidelines on alcohol labelling on our own-brand beers, wines and spirits. The labels, which include recommended maximum daily intake information, are currently on 78% of our own-branded products. By the end of 2009, they will be rolled out across all our own-branded alcohol range.

In July, we introduced a Think 25 policy across all of our stores, in order to help tackle underage sales. This builds on the Think 21 policy we introduced in September 2005. All employees are trained to check the age of anyone buying alcohol if they look under 25. To coincide with the policy, we also introduced in-store signage to ensure customers are aware of the policy.

With research showing that fewer than half of consumers are able to identify the recommended daily alcohol intake for men and women, we are also committed to educating our consumers about "unit" consumption.

In October 2008 we introduced a customer friendly "alcohol education point of sale" in stores in Scotland and Northern Ireland. The shelf-edge labels were designed to help our customers easily understand how many units there are in different alcoholic drinks, by providing practical information and handy tips on units and measures. We are currently analysing how our customers have responded to the initiative.

It is worth noting that a recently published independent study by KPMG (sponsored by the Home Office) into the effectiveness of the alcoholic drinks industry's Social Responsibility Standards[19] in contributing to a reduction in alcohol harm in England, found good practice in the off trade, particularly in the supermarket sector. The report praised the sector in particular for its policies on restricting under age sales and in signage in highlighting and enforcing the Think 21 policy.

Stakeholder partnerships also play a crucial role in reaching out to the wider community. For example in September 2007, the Retail Alcohol Standard Group (which our Head of Legal Services chairs) and Cambridge Trading Standards began a new initiative—a Community Alcohol Partnership (CAP)—to reduce alcohol-related community problems, which was trialled in St Neots. CAP brings together retailers, the police, local authorities, secondary schools, youth clubs and the local press to tackle under-age drinking through education, enforcement and public perception. CAP is now operating across the UK, including in Cambridge, the Isle of Wight, Kent and Belfast and will be extended to other areas.

Drinkaware Trust

We remain fully committed to the Drinkaware Trust and its objective of positively changing public behaviour and the national drinking culture to help reduce alcohol misuse and minimise alcohol-related harm. Our Head of Legal Services, Nick Grant, is a trustee on the Drinkaware Trust board. We were one of the first retail companies to sign up to the Drinkaware Trust.

We have contributed over £100,000 to Drinkaware over the last two years and would like to see an adequately resourced and sustainable future for Drinkaware. To this end, we have been actively seeking to establish a sustainable funding system for Drinkaware.

Conclusion

For any business, it is important to know that the UK provides a business friendly environment and this is particularly true during these challenging economic times. While we actively support the Government in its aim of tackling problem drinking in the UK, we believe that Government should work with retailers on a voluntary basis. Where intervention is considered necessary by Government, it should be made in line with the Hampton Principles which state that regulators should recognise that a key element of their activity should be to encourage economic progress and only to intervene when there is a clear case for protection. We do not believe that such a clear case exists for a number of the proposals Government is considering as part of its strategy to tackle excessive consumption of alcohol.

Furthermore, while we understand the motivation and desire by the Government to implement policy objectives in reducing alcohol-related harm, we believe that many of the proposals may have significant unintended consequences. In some instances, for example in the case of minimum pricing, proposals could penalise the majority of responsible drinkers, and do nothing to make a substantial long-term cultural change around alcohol abuse.

September 2009

Further memorandum by ASDA (AL 22A)

Ahead of our opportunity to submit oral evidence to the committee, we respectfully ask you to consider the following written evidence from ASDA which explains our position on the main aspects of the Committee's terms of reference and some of our wider views on the retailing of alcohol. We have also included as an Annex to this evidence our views on the Government's proposed mandatory code.

[19] Standards set in 2005 for alcohol retail covering sensible drinking messages, responsible marketing and ensuring that retailers don't sell to the underage or intoxicated customers.

We understand the terms of reference for these hearings are to be focused on:

— The scale of ill-health related to alcohol misuse.

— The consequences for the NHS.

— Central government policy.

— The role of the NHS and other bodies including local government, the voluntary sector, police, the alcohol industry, and those responsible for the advertising and promotion of alcohol.

— Solutions, including whether the drinking culture in England should change, and if so, how.

ASDA is the UK's second largest supermarket operating close to 370 stores (some of which are non food), employing 170,000 colleagues, and serving over 17 M customers every week.

We have always been willing to work with Government to tackle alcohol misuse. We are ready to create a new way of selling alcohol, but this new way must not disadvantage the majority of drinkers who consume responsibly and do not cause public disorder.

1. Alcohol Consumption and Health

The debate has traditionally focussed on the link between excessive alcohol consumption and crime and anti social behaviour. The practice of binge drinking has clear health impacts for the individuals concerned, for the health service and for wider society through antisocial behaviour and the resulting strain on public services.

There has, however, been an increasing interest in the long term health implications of regular over consumption above recommended daily and weekly guideline amounts. This concern applies not only to younger age groups traditionally associated with binge drinking but also to middle aged and retired groups who are not generally associated with crime and antisocial behaviour.

To date the approach of Government has been to target policies at reducing the health and social consequences of binge drinking. Recent interventions by the Chief Medical Officer in support of minimum pricing has concentrated more on the need for an across the board reduction in alcohol consumption, which it is argued is best achieved through pricing mechanisms.

While we understand the concerns of health practitioners and policy makers about the impact of excessive alcohol consumption in the UK, we do not believe that the answer lies in pricing mechanisms. In fact, we believe that there is a real danger that an overly simplistic concentration on price as the key driving factor of consumption risks missing some of the social and cultural factors which have a much greater impact on patterns of alcohol consumption in the UK.

Consumption is declining

Alcohol consumption in the UK is decreasing. Recent statistics from HMRC show that there has been a significant decline in per capita consumption from a high point in 2004 to 2008. In fact overall consumption reduced by 5.1%.[20] This decline in consumption has been seen in all alcohol categories with the exception of cider. Beer is down 8%, wine down 3.6%, spirits down 3% and Flavoured Alcoholic Beverages (FABs) down by an even greater 22.4%. This decline has not received the attention it deserves.

There appears to be a paradox whereby declining alcohol consumption is not mirrored in improving alcohol related health statistics. Neither has there been any concerted effort to map reductions in consumption with increasing duty on alcohol over the same period. These are issues which we believe require further investigation if there is to be a rational debate on the link between alcohol consumption and the health of the wider population.

Patterns of consumption have changed

To understand changing patterns of alcohol consumption in the UK it is first important to understand the wider social and cultural changes seen in the past decade. There has been a significant shift away from on trade to off trade sales of alcohol. Since 2001 household consumption figures show that alcohol consumption in the home has risen from 735ml per person per week to 772ml in 2007. Over the same period, consumption outside the home has reduced from 733ml to 503ml While this is a significant shift, it is our belief that there is a common misconception that this has been driven purely by price competition between supermarkets and pubs.

Evidence would suggest that the traditional pub business model has faltered as it has proven inflexible in meeting growing costs in its supply chain and operating model. As a consequence price increases for customers have resulted as pubs are forced to make up lost margins through higher prices for customers. Supermarkets have taken much of the blame for the failure of the traditional pub model to compete. We do not believe that this blame is accurate. As the evidence suggests it is simply a matter of increasing charges for customers by the on-trade sector and changing customer preferences.

[20] HMRC/BBPA, Alcohol consumption, 1990–2008, litres per head of 100% alcohol

Social and cultural change behind changes in consumption

The decline of on trade business is not the fault of supermarkets. It is plain to see that there has been a wider cultural shift away from the pub as the hub of the community. This has been exacerbated by some external factors including the ban on smoking in public places. Increasingly we hear from our customers of their desire to socialise with friends and family in what they see as a safer, more controlled home environment. Fear of antisocial behaviour, greater awareness and enforcement of drink driving laws, the growth of dinner party culture and an explosion in digital broadcasting and compelling TV scheduling are just some of the factors driving the growth in consumption of alcohol in the home.

The family home or garden is increasingly seen by our customers as their preferred "destination" for socialising in groups which can include wider family and friends as well as children—often not properly accommodated in pub settings. It has been suggested by some that pubs are a safe, well regulated drinking environment and that shifts to home drinking are therefore negative because the home setting is unregulated. That is not the view of many of our customers who believe the opposite to be the case. They view drinking with family and friends in the home as an inherently safer choice than drinking in town and city centres which they see as a riskier option, bringing them face to face with antisocial behaviour and crime.

Drinking in the home is now an established social norm. The Joseph Rowntree Foundation report *A minimum income standard for Britain*[21] sought to establish what the public considered was necessary to achieve an acceptable standard of living.

The report considers four different household types: single working age, pensioner couple, couple with two children and lone parent with one child. Focus groups decided that for each household type some level of spending on alcohol was necessary to achieve an acceptable standard of living (p.18). In the case of a couple with two children, it was decided that only alcohol for consumption in the home was a necessity (p.33).

Their findings remain true in this year's report[22] and additionally the report notes that focus groups suggested there is now a lower expectation about how often working age people go out for entertainment.[23]

We believe that these wider social and cultural changes better explain the shift away from pubs to home drinking than a simplistic argument on price competition.

The importance of value—not penalising the responsible majority

We believe that the majority of our customers purchase and consume alcohol responsibly. An irresponsible minority are responsible for the vast majority of alcohol related costs to society. In the UK 7% of the population drink 33% of the alcohol. We believe that this requires a targeted approach which identifies those who have a disproportionate impact on society and attempts to address their behaviour based on a proper understanding of the social and cultural factors which influence that behaviour.

We believe that policy makers should be careful not to adopt blanket policies which punish the majority for the behaviour of a minority.

We are concerned that the most responsible, law-abiding consumers are the ones who will lose out, and that individuals who create public order disturbances will continue to do so. In particular, it would be a severe unintended consequence for low income shoppers already hit by rising utility costs, rising fuel and food prices if new regulations were to hit responsible drinkers in lower income groups.

Indeed there is evidence that lower income groups are not responsible for the bulk of alcohol consumption, but are least able to afford alcohol. Therefore, low income households are disproportionately affected by rising prices and tax increases. The General Household Survey 2007 reported the percentage of adults who drank more than eight (men) six (women) units on at least one day in the last week by household income bands. The average for all income groups was 20%. However, for households with less than £200 per week income the percentage was 11%. This figure rose steadily by income bracket to 28% for households with a weekly income above £1,000.[24] Raising the price of alcohol will have a disproportionate effect on low income households. In a time of recession, the concept of affordability is not as relevant to those on low incomes for whom very few luxury goods are truly "affordable".

The introduction of new price controls such as a ban on promotions or minimum pricing would further reduce the disposable income of low income groups but, unlike with duty, would not deliver a single additional penny of revenue to the state.

We would urge the Committee to recognise the benefits of competition to a whole swathe of customers from low income backgrounds who purchase and consume alcohol in a responsible manner.

[21] Joseph Rowntree Foundation—*A minimum income standard for Britain*, July 2008. p18
[22] Joseph Rowntree Foundation—*A minimum income standard for Britain*, July 2009. p24
[23] Joseph Rowntree Foundation—*A minimum income standard for Britain*, July 2009. p21
[24] ONS Statistics on Alcohol, England 2009, Table 2.12 Adults1 drinking in the last week, by usual gross weekly household income and gender, 20072,3

2. Pricing and Consumption

There are many myths in the debate around supermarkets and alcohol pricing. Some commentators have said that our lager is cheaper than our water. This is not the case. Our Smart Price lager is priced at 91p for four 440 ml cans—52p per litre (and we have reduced the strength of this lager to 2% ABV). A 2-litre bottle of Evian water is 78p—39p per litre. So, even our cheapest lager is more expensive than Evian. And it is even more expensive than our Smart Price water, which is priced at 13p per 2-litre bottle—6.5p per litre.

Others make the claim that supermarkets are promoting alcohol at pocket money prices. Yet supermarkets have led the charge on underage sales through the establishment of Challenge 25 to reduce the availability of alcohol to those under 18. It is unfortunate that some commentators have sought to muddy the waters on price and availability to under 18s. A worrying number of under 18s consume alcohol sourced for free from parents or friends and therefore the issue of price does not seem to be a key factor on whether under 18s wish to and succeed in consuming alcohol.

Promotional activity

On 1 September 2009 the Licensing (Scotland) Act came into force and introduced a ban on all happy hours and promotions in the on trade in recognition of the fact that certain promotions in the on trade were "irresponsible" because they encouraged people to consume more alcohol in a shorter space of time.

There is a significant difference between promotional activity in pubs and clubs and that in shops. Promotions in the on trade are de facto about immediate consumption—an additional bottle of beer, free pint or glass of wine, or double for the price of a single shot cannot be taken off the premises. It can only be consumed there and then by the person or persons receiving the deal.

Promotions in the off trade on the other hand are often used by customers who are seeking good value but who purchase the alcohol with a view to consuming it over a longer period of time or with a wider group of family and friends. When a customer takes advantage of a quantity discount, it does not mean that they will consume that alcohol immediately. Indeed many customers stock up and consume alcohol over weeks or months. That is a fundamental difference between promotional activity in the on and off trade. Contrary to some media reports, ASDA does not run Buy One Get One Free offers on alcohol. We do offer value to customers on individual lines and through some quantity discounts such as three bottles of wine for £10. We do not believe this is an irresponsible promotion. Indeed the promotion allows customers to benefit from higher quality wines for a lower cost.

As stated in our evidence on the mandatory code, we are concerned at proposals for local discretion on promotion bans in the off trade which we believe would distort competition, inconvenience and confuse customers, raise costs to business and lead to an unfair postcode lottery.

Minimum pricing

It is worth reiterating that the notion alcohol has become cheaper is actually caused by an increase in affordability—it is not that alcohol in itself has got cheaper. Government published data shows alcohol has actually increased in price. Since 1987 alcohol price inflation has exceeded RPI and has risen substantially more than food inflation. The difficulty is that average earnings have gone up faster than RPI making alcohol more affordable.

The Committee has already heard evidence in favour of the introduction of minimum pricing of alcohol and restrictions on promotional activity.

We believe that there is a real danger that minimum pricing is seen as the "silver bullet" and that an over concentration on price mechanisms neglects some of the much wider social and cultural factors behind alcohol consumption. It is self evident that there is some link between price and consumption, however we believe that this case has been significantly overstated. Ultimately the extent to which minimum pricing (if it were to be introduced) would drive changes in consumption would depend on the level at which it is set. We are sceptical that at levels of 40p or 50p per unit significant behavioural changes would follow. All that such a price would do is penalise hard working families on low incomes.

Minimum pricing is a system which exists in no comparable country on a nationwide basis. It is based on theoretical modelling which does little to take into account the prevailing cultural and social norms in the UK. Price elasticities are affected by many factors and, we would argue, apply in differing degrees to different groups in society. We believe that there are many unintended consequences of minimum pricing which make a seemingly simple concept a much less effective policy solution than theoretical modelling results might suggest.

As previously stated, alcohol consumption is declining in the UK even at a time when competition and good value deals are seen across the off trade sector. Arguments for minimum pricing essentially follow the logic that price drives consumption and consumption leads to health problems across the population. Yet it is not a straightforward relationship. Statistics on alcohol related mortality in different parts of the UK clearly show a much higher rate in Scotland than the rest of the UK with a significantly higher rate of increase in recent years at a time when trends have levelled off in England. This is puzzling as average incomes in Scotland remain significantly below the UK average, yet alcohol prices in Scotland are in line with those

across the UK. ASDA sells products at a single price no matter where our stores are located. Therefore alcohol is a proportionately more expensive commodity to people in Scotland than England, yet alcohol related morbidity rates are higher. There are clearly other social and cultural factors at play.

Proponents of minimum pricing have used competing arguments to supports its introduction. On the one hand it has been described as merely raising the price of the cheapest alcohol. On the other it has been described as a solution to the problem of over consumption among the entire population including middle aged and older drinkers who are not generally associated with the purchase of the cheapest alcohol or with antisocial behaviour. Indeed the subject of rising consumption in the over 45s age group raises an interesting question about the link between price and consumption. This group generally has higher levels of disposable income than younger age groups and therefore there is a real question as to what extent their consumption is driven by price. Would a 20 pence increase in a bottle of wine really reduce consumption in this target group? Are there other factors involved in rising consumption among this group?

We recognise the concern among policy makers about sales of the cheapest alcoholic products. In an active and competitive market place, it is difficult for any one retailer to unilaterally address pricing without putting itself in a position of competitive disadvantage. At the same time, it would be illegal for supermarkets to get together and discuss multilateral increases in price. If the Government wants a system whereby it is illegal to sell below the level of alcohol duty plus VAT then this would have to be mandated.

This is entirely a matter for government to consider. However, we would argue that while a system of minimum pricing has the disadvantage of returning no additional revenues to the state—effectively privatising the profit and socialising the loss—a system of duty plus VAT allows for revenues to be returned to the state and invested in alcohol education, awareness, diversion and treatment programmes.

Personal Responsibility

Promotions and pricing are not in themselves irresponsible, it is how individuals consume the alcohol that they purchase which is important. Many of our customers take advantage of offers and consume the alcohol responsibly. We accept that there are instances where some abuse alcohol purchased from the off trade. However, does that mean that nobody should be able to take advantage of good deals? Many of our customers have told us they believe that pricing mechanisms that increase prices for customers smack of a "nanny state" approach and they are sceptical that these measures will tackle the real problem drinkers (see Appendix One). To truly change the culture of drinking, customers need to believe that changes will be effective and are being done for the right reasons. There is a danger that too much of a reliance on price misses the point about personal responsibility. Whether a can of lager costs 50p or £3 is no excuse for somebody to drink to excess, or engage in anti social behaviour.

3. Information, Education and Responsible Retailing

At Asda we recognise that we have a duty to be a responsible retailer of alcohol and to work with Government to ensure that our customers are able to make informed choices when they shop with us. We believe that changes to the drinking culture in the UK must be driven by improved education, increased awareness, diversionary activities, and quick and effective treatment for those who have alcohol problems.

We would like to reiterate some of the actions we have taken which demonstrate that we understand our responsibilities as retailers of alcohol. ASDA has already delivered eight key voluntary measures to ensure that we live up to these responsibilities. These include measures which are designed to reduce underage sales, reduce crime and antisocial behaviour, and educate our customers about responsible drinking and health. They include:

1. the first national roll-out of Challenge 25;
2. stopping selling alcohol at 100 of our town centre stores between midnight and 6am (as highlighted in *Policing in the 21st Century*);[25]
3. a fund to help educate young people on alcohol misuse;
4. a doubling to 4,000 independent test purchases of our own people per year;
5. the delisting of some products and reduction in alcohol content of others;
6. introduction of the new UK Department of Health (DH) recommended wine label on our own brand wines—the first retailer to do this, and well ahead of the main brands of winemakers;
7. regularly providing information on responsible drinking through the ASDA Magazine, which has a readership of 5 million throughout the UK; and
8. The banning of "% extra free" alcohol packs.

[25] Home Affairs Select Committee—*Policing in the 21st Century*, November 2008. p38

Increased display of health messages

Asda has pioneered the use of labels on our own brand wines to communicate the number of units in a small glass, a large glass, and a bottle of our own brand wine. In addition, we have already incorporated the DH pregnancy message on many of our labels.

We have a strong record of providing health information to customers on a range of issues such as alcohol and nutrition. We give information to customers through point of sale material and articles in our monthly "*ASDA Magazine*" read by approximately five M people. It has the highest circulation of any women's monthly title in the UK and was read by almost a quarter of UK households in 2008. In addition, we update our website with sensible drinking messages, especially around Christmas and New Year when consumption is traditionally higher.

We happily support any attempt to give customers more information on sensible drinking as we believe that education for customers is key to tackling this cultural problem. Our concern is that a prescriptive approach may spoil the good work that is already underway through initiatives such as Drinkaware and the Campaign for Smarter Drinking, where we are already linking sensible consumption levels to the DH labels on products.

We are financial supporters of the "Campaign for Smarter Drinking" and have already committed to placing point of sale in the alcohol aisles with responsible drinking messages included. We offer our support to any educational aims in Government policy, but we would urge the Government to accept this Campaign for Smarter Drinking point of sale material as suitable in meeting these aims.

We believe that there is an opportunity to do more to educate customers about the health implications of alcohol consumption through product labelling. Traffic light labelling on food products has improved our customers' understanding of the food that they eat and the need for a balanced diet. We believe that there is scope to extend a similar system to alcohol products in order to improve awareness and point customers towards lower alcohol products. There is also an opportunity to choice edit before the point of retail by looking again at the potential scope to reduce the alcoholic content of a range of products. For example Asda has already reduced the alcohol content of our smart price beer.

ASDA's Social Hurdle

We support the idea of a *"social hurdle" approach* requiring retailers to have a proactive approach to the tackling of alcohol misuse through a series of individual initiatives. There is no reason why such an approach could not include a strong health element.

In summary we propose that instead of imposing any kind of financial levy on retailers, or price interventions which raise the cost of alcohol for customers, policy makers should instead consider a social responsibility hurdle that:

(i) must apply to all licensed premises;

(ii) must allow for additional expenditure by retailers on managing alcohol sales to be offset. Otherwise, we will see a race to the bottom in terms of important and creative voluntary measures by business;

(iii) must be mindful of extra cost burdens on our customers; and

(iv) must apply to the producers and distributors of alcohol products elsewhere in the profit chain.

The potential benefit of the social hurdle approach is that it creates real incentives for those involved in the sale of alcohol to come up with creative and added value measures to tackle the misuse and abuse of alcohol. It avoids the introduction of new taxes which would lead to higher prices for consumers.

As an example of the type of social responsibility work that we have funded, we recently gave £20,000 to the new community disorder bus in Toryglen in Glasgow and hosted a major community event for its launch. We have also made a financial commitment to a bus in Burnley in east Lancashire. These projects are aimed at diverting young people away from alcohol by giving them alternative alcohol free activities in their own communities. They could also have a role in educating young people about the health implications of over consumption.

We would suggest that the recent experience on carrier bags offers an insight into the willingness of business to work hard to meet voluntary targets. Government and industry set a 50% reduction target in bag use in our stores. The industry as a whole only just failed to meet what was a challenging and difficult target which required significant effort, financial investment and engagement with customers. Different retailers were able to employ different measures which fitted with their business models in order to meet the same goal of reducing bag use. There are good lessons to be learned from this approach and in principle there are few reasons why a similar approach could not be applied to social responsibility and alcohol.

Reducing availability for under 18s

It is clear that early exposure to alcohol can have a disproportionate effect on health as children's bodies are unable to cope with alcohol in the same way as adults. Children who start consuming alcohol at an early age can face significant health challenges in later life and there is growing evidence of much earlier incidences of liver disease.

That is why it is so important to reduce the availability of alcohol to under 18s. Asda was the first national retailer to introduce a Challenge 25 scheme where proof of age is required by any customer who looks under the age of 25. This has now been adopted across the industry.

It has been suggested in the mandatory code that Challenge 21 should become mandatory for all retailers. We do not support moves which would move back from the current Challenge 25 position which we believe is far more robust and easy to administer by store colleagues. We would therefore suggest that if such a scheme were to become mandatory it should follow the existing Challenge 25 system established by retailers through the Retail of Alcohol Standards Group (RASG) on a voluntary basis to tackle under age sales. Many retailers are now moving to challenge 25 to reduce age recognition problems further—following the lead established by Asda. We wholly support this move to Challenge 25, and we believe that all retailers of alcohol (whether on or off trade should adopt this scheme).

Paul Kelly
External Affairs and Corporate Responsibility Director

September 2009

Annex 1

VIEWS ON THE GOVERNMENT'S MANDATORY CODE

Summary of ASDA's Position on the Alcohol Mandatory Code

On the whole we believe it contains a sensible set of measures designed to help tackle the problems caused by the misuse of alcohol by the minority. We do however have serious concerns about some aspects of the code.

- We are against a ban on promotions for alcohol which is locally set. A locally controlled minimum price is dysfunctional on competition grounds. Two stores—most likely within a ten minute drive time of each other—would not be able to effectively compete if one has a local ban on promotions which does not affect the other. (Ten minutes drive-time is the Competition Commission definition of a relevant competition market in grocery).
- A locally sanctioned promotions ban would not be proportionate in the amount of burden placed on business. A multiple retailer operating a single price point across the UK will find this logistically exceptionally burdensome to implement.
- A ban on promotions disproportionately affects those on low incomes and is unfair. A severe economic recession combined with price controls has real unintended consequences for customers.
- Those affluent customers with access to the internet will be able to escape these promotional bans (as they will not have to visit a retail premises) and that cannot be fair to the consumer or to non-internet retailers.
- Actions such as those envisaged in the code could seriously distort the local grocery market. The code also makes no mention of the rewards given through loyalty cards and money off vouchers. These factors must be considered if there is any possibility of a level playing field between retailers. A local promotions ban that discriminates between legitimate business models no longer has alcohol abuse control at its heart, but becomes a dysfunctional disruption of the market. We are very concerned that local authorities will be tempted to avoid action against retailers operating loyalty cards because intervention would be too complicated. Councils will focus efforts on "easy targets" ie those retailers with straightforward promotions.
- We believe that if the Government wants a floor level of duty plus VAT, then this would have to be mandated. We know that this could never be achieved through a voluntary agreement.
- We believe that local licensing conditions should be formed out of a discussion between local licensing officials and individual retailers about the most sensible conditions for that area, and not based on blunt economic tools like a promotions ban. For example, consider our "Eastlands model". We have a store in Manchester—next to the City of Manchester football stadium. This store will have particular local needs which can't be dealt with through a national scheme of promotional controls—even though these may be locally administered. The proposed local conditions are too blunt a tool and create competition issues which are not adequately dealt with.
- It is essential that in the event promotions were to be banned that guidance notes be issued to licensing authorities making it clear how the ban should be implemented to avoid a market distortion. (The planning regime offers a potential model in PPS6, advice that must be followed by councils in order to deliver the objectives of the national policy). We set out conditions that local authorities should follow if they choose to ban promotions later in our response.

— We believe that a refusals register would be unworkable, too prescriptive, and against the principles of better regulation. Specifically, it is not appropriate to the risk posed and is excessively burdensome.

— ASDA has represented value for over 40 years and is sincerely opposed to lower income consumers bearing the brunt of these proposed changes. In this time of recession, we do not think that hard-pressed, law-abiding customers should be asked to pay more for alcohol as a result of a promotional ban. We strongly believe that competition on price and on promotions is positive for consumers. They have clearly told us that they would be concerned if Government initiatives were to put this at risk—please see appendix one to see our survey of 10,500 customers.

APPENDIX ONE

ASDA customer survey. We commissioned an independent market research organisation to ask 10,000 of our customers their views on the key proposals put forward by the Scottish Government. The results of that survey are shown below:

Results of ASDA Customer Survey

This survey consisted of 10,109 face-to-face interviews conducted with ASDA shoppers in 30 stores throughout Scotland. All interviews were conducted between 15 and 29 August 2008. The research was conducted by Market Research Society-trained interviewers from the Ace Fieldwork market research agency.

1. *The Scottish Government is concerned that alcohol is currently too cheap. The Government wants to set a fixed minimum price for alcohol to reduce the amount people drink. What do you think of this proposal, do you agree or disagree with it?*

1. Agree	3,385	33.5%
2. Disagree	6,170	61%
3. Don't Know	549	5.4%
4. No answer	5	0.0%

2. *The Government is also proposing to ban multi-product promotions (eg "3 for 2" and "Buy one Get one Free") to reduce the amount people drink. What do you think of this proposal, do you agree or disagree with it?*

1. Agree	2,978	29.5%
2. Disagree	6,818	67.4%
3. Don't Know	309	3.1%
4. No answer	4	0.0%

3. *Of the two proposals outlined above (minimum pricing, and the banning of promotions), which do you think would be the most effective in reducing alcohol consumption?*

1. Minimum Pricing	1,772	17.5%
2. Banning Promotions	1,997	19.8%
3. Neither	6,017	59.5%
4. Other	284	2.8%
5. Both	27	0.3%
6. No answer	12	0.1%

4. *The Scottish Government is considering that from September 2009, supermarkets would not be able to sell alcohol together with other items. This would mean customers would buy alcohol at a separate checkout and make two separate transactions. Do you agree with this proposal?*

1. Agree	2,190	21.7%
2. Disagree	7,405	73.3%
3. Don't Know	507	5.0%
4. No answer	7	0.1%

Further memorandum by The Portman Group (AL 35A)

Regulation of Alcohol Marketing

I have been following with interest the progress of the Health Select Committee's alcohol inquiry. I am concerned, however, that there appears to be a degree of confusion among the Committee as to the regulatory controls that apply to particular forms of alcohol marketing. Indeed, the Committee seems to be under the impression that there is a "regulatory gap" in respect of on-line marketing and sponsorship. Although I appeared before the Committee, I was not questioned about these and other marketing issues that fall under our Code. I hope that this memo therefore clarifies the regulatory position and the independent complaints processes.

I recognise that the regulatory system is complex but the fact is that all drinks producers' marketing activity is subject to the same strict standards of regulation; there are no "gaps".

For historical reasons, three regulators are involved: Ofcom, the Advertising Standards Authority (ASA) and the Portman Group. The different regulatory systems, however, while they operate independently of one another, adopt similar standards and complement one another to ensure strict supervision of all drinks producer marketing activity.

Ofcom regulates television programme sponsorship. The ASA regulates advertising, including TV (excluding programme sponsorship), radio, press, poster, direct mail and paid-for advertising on the internet. The Portman Group regulates packaging and various other forms of promotion, including sponsorship (excluding programme sponsorship), branded merchandise, press releases, and non-paid for advertising on the internet. In other words, the Portman Group seeks to regulate any marketing which is not otherwise regulated by Ofcom/ASA. The table on the next page summarises this information.

The regulatory system may appear fragmented but the division of responsibilities, however, is logical. The ASA regulates all advertising in 'paid-for' space; it cannot, for example, take over responsibility for regulating alcoholic drinks packaging without simultaneously taking on responsibility for regulating all product packaging including that of food, electrical goods, etc. The Portman Group, meanwhile, cannot for example take over responsibility for regulating alcohol advertising on TV because, apart from anything else, the ASA has a legal responsibility for this. This fragmentation does not mean, however, that there are necessarily any shortcomings with the present regulatory system.

I hope that this short memo reassures the Committee that controls and independent complaints processes do exist in respect of all drinks producer marketing activity.

28 July 2009

Table 1

SUMMARY OF UK REGULATORY SYSTEM APPLYING TO DRINKS PRODUCERS' MARKETING ACTIVITIES

Regulator	*Ofcom*	*Advertising Standards Authority*	*Portman Group*
Remit:	Television programme sponsorship [Also broadcast editorial standards]	All advertising, eg: — television — radio — press — poster — cinema — direct mail — paid-for internet advertising — mobile phones (SMS and Bluetooth)	All other alcohol producer marketing advitities, eg: — naming — packaging — sponsorship (excluding TV programme sponsorship) — sampling — press releases — brand websites — producer-generated point-of-sale materials
Nature of system:	Statutory	Co-regulatory (broadcast) Self-regulatory (non-broadcast)	Self-regulatory
Rules written by:	Ofcom	BCAP, but approved by Ofcom (broadcast) CAP (non-broadcast)	Portman Group
Adjudicating body:	Ofcom	Independent ASA Council chaired by the Rt Hon Lord Smith of Finsbury	Independent Complaints Panel chaired by Sir Richard Tilt
Funded by:	Government	Advertising industry	Drinks producers

Supplementary memorandum by the Advertising Standards Authority (ASA) (AL 43A)

During my oral evidence session for the Health Select Committee's inquiry into alcohol on 2 July 2009, a number of issues arose which required further information or clarification. As promised, I am now writing with that information.

I have included information about:

— The role of the advertising self-regulatory system.

— How the Codes are written and enforced.

— Complaints statistics.

— Ads we have ruled against since the rules were tightened in October 2005.

— Ads we have upheld and not upheld against under the "youth culture" clause.

— Our interaction with Halewood International regarding advertisements for Lambrini.

A Recognised and Mandatory System

The Advertising Standards Authority (ASA) is an organisation that employs 104 people and has a budget of £7.8 million in 2009.

The advertising regulatory system is both co-regulatory (for broadcast advertising) and self-regulatory (for non-broadcast advertising). However, for advertisers and consumers dealing with the system, enforcement and compliance is broadly the same. It is particularly important to note that the system is not voluntary. No advertiser can opt out of the system and ASA rulings must be followed. In the overwhelming majority of cases advertisers comply with our rulings without the need for our compliance team to initiate compliance proceedings.

The ASA's status as a public authority is fully recognised and has been upheld by the courts. For example, in 1989 Lord Justice Gidwell judged that the Authority exercised a "public law" function and that our procedures were reasonable and fair. The system is not insignificant. It is, and has to be, robust and independent.

The ASA works on a different basis to most statutory regulators. Most statutory regulators have to comply with prioritisation principles in line with Hampton's Better Regulation principles. This means that most statutory enforcers do not take action unless there is a demonstrable and significant economic detriment to consumers. In contrast, the ASA considers every single complaint that it receives and if it is judged that there is a case to answer under the Codes, the ASA will and must act.

The Status of the Advertising Codes and the Code-writing Process

The Advertising Codes are written by two industry bodies, the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP). Membership of these Committees comprises primarily trade associations representing advertisers, agencies and the media. I have attached a list of members to this letter.

The Advertising Codes are not written by individual sectors. It is important to understand that the alcohol industry (manufacturers and retailers) is not responsible for writing, amending or signing-off the alcohol rules or any other part of the Advertising Codes.

The Advertising Codes are publicly accountable. In 1997, for the first time, Article 10 of the European Convention on Human Rights was cited in a legal challenge to one of our rulings. During that ruling, the ASA's procedures and the Advertising Codes themselves were judged to be fully compliant with Article 10.

The Advertising Codes are currently undergoing a full review. The proposed Codes were subject to a full three month public consultation which ended on 19 June 2009. Following a request by the UK Government, CAP and BCAP, as part of their Code Review, took particular account of the Sheffield University review of evidence on the relationship between price, promotion and harm (ScHARR). CAP and BCAP published their analysis of ScHARR as an addendum to the main Code Review consultation and extended the consultation deadline to the 10 July for responses to this analysis, in order to give interested parties sufficient time to reply.

During the review process to date, a wide range of organisations have been invited to respond, including other regulators, Government, civil society, advertisers (commercial and non-commercial), business and members of the public.

Furthermore, BCAP takes advice on its Codes from an expert consumer body, the Advertising Advisory Committee (AAC—further details attached at Annex C) and the broadcast Codes must ultimately be signed off by Ofcom's Content Board. The CAP (non-broadcast) Code is approved by the Office of Fair Trading on competition grounds and to ensure the rules are in line with consumer protection legislation. Finally, the ASA Council must agree to administer the Codes.

Keeping Advertising Standards High

Advertisers that breach the Codes face financial loss from having an ad campaign pulled and damage to reputation through the publication of upheld adjudications, which attract media attention. For those few advertisers who refuse to comply, industry and other pressures can be brought to bear.

For example, poster pre-vetting can be imposed and direct marketing companies can have benefits such as Royal Mail bulk mailing discounts removed. Although very rare, in serious cases of non-compliance, advertisers can be referred to the statutory authorities, for example to the OFT for action for unfair or misleading advertising, or to Ofcom for action against broadcasters.

As mentioned in our original submission, as well as receiving and acting on the complaints we receive, the ASA also conducts proactive monitoring of advertisements. The ASA has conducted several compliance surveys of alcohol ads and has taken action—both formal and informal—to ensure that problematic ads are amended or withdrawn. Compliance levels for the sector are high—The 2008 survey is yet to be published but we understand compliance rates are expected to be very high (99%).

In addition to acting on ad campaigns that are already in circulation, there are pre-clearance mechanisms for TV and radio (Clearcast and the Radio Advertising Clearance Centre). These are considerable organisations and are responsible for pre-clearing tens of thousands of ads each year for TV and radio.

For non-broadcast advertisements, there is a free Copy Advice service. Advertisers, agencies and media space owners can receive individual advice regarding the likely compliance with the CAP Code of a campaign or individual ad from an advisor or consult the considerable amount of guidance available online. CAP has just invested in a brand new website (launched in June), which we hope will help to improve compliance levels even further www.copyadvice.org.uk. The new website encourages users to sign up, so this will give us a much better idea of who is using the online resource. We do know however that a majority of the major drinks manufacturers consult CAP Copy Advice on a regular basis.

Both sides of the advertising regulatory system, the ASA and CAP/BCAP, work together to keep advertising standards high. Last year the regulatory system held 13 training sessions for alcohol advertisers and we are planning another training seminar later on this year.

Annexes

- **Annex A—**More information about our alcohol complaints statistics and our alcohol rulings as requested.
- **Annex B—**A briefing note on our experience regulating Halewood International's Lambrini advertisements.
- **Annex C—**List of CAP and BCAP Members.
- **Annex D—**Summary of all upheld adjudications under the alcohol specific Code rules (to accompany CD—details below).[26]

I have also enclosed a CD which contains copies of all the campaigns we have ruled against, as well as examples of ads that have been investigated under the "youth culture" clauses. As requested these include examples of ads investigated under "youth culture" clauses that have not been upheld, so you can see where we have drawn the line. As I mentioned in the oral evidence session, the ASA's interpretation of the "youth culture" clause has been informed more recently by the research that we conducted jointly with Ofcom and published in November 2007.

During the evidence session Mr Scott described an advertisement for a vodka brand which says that it "releases the Super Me… because when I drink it I feel I am in the know and part of an elite group." From the description, this does sound like the sort of advertisement that we would like to take a closer look at, so I would urge the Committee or Mr Scott to forward a copy of the advertisement to me, so that I could ask our complaints teams to look into the matter.

As I mentioned in the oral evidence session, no system is perfect, but we do work extremely hard—particularly in sectors like alcohol which comes under considerable amount of public scrutiny—to make sure that the Advertising Codes are understood, followed and enforced. Our responsibility to protect consumers is not one we take lightly. I hope that the work we have told you about in our written and oral evidence demonstrates our commitment to keeping advertising standards high.

If any members of the Committee would like to visit the ASA to gain a better understanding of the scale and nature of the operation, I would be pleased to welcome them to our offices and, of course, should you require any further information, please do not hesitate to contact me.

24 July 2009

[26] Not printed: available for inspection in the Parliamentary Archives.

Annex A

2008 ALCOHOL ADVERTISING COMPLAINTS STATISTICS

In 2008, the ASA dealt with 392 complaints about 191 alcohol sector ads. In addition, we also resolved 122 complaints about 101 ads that featured alcohol in some way but were categorised in other sectors, such as retail, leisure, or non-commercial. These included, for example, ads for Government alcohol awareness campaigns and retailers.

The combined figure of 514 complaints about 292 advertisements represents approximately 2% of the total number of complaints received by the ASA during 2008. Please see below a breakdown of these complaints.

Complaints Not Investigated

- 252 complaints about 178 ads were not investigated, because the ASA complaints team found no breach of the Advertising Codes. Many of these were unrelated to concerns about negative impacts of alcohol advertisements. For example:
  - 23 complaints were about one Stella Artois ad that claimed that the drink had only four ingredients. The complainants felt this was misleading.
  - 16 were about 12 Government or charity ads promoting a socially responsible approach to alcohol. Complaints were generally about harm or offence, but in some were also about misleadingness.
  - 33 complaints were about possible misleading offers or sales promotions in 27 different ads.
  - 6 complainants thought Bacardi's claim in one ad that "Bacardi mojito is the original mojito" was false.
  - 5 complainants thought the lyrics in a song used in a Southern Comfort ad contained swear words. This was found not to be the case.
  - 1 complainant was concerned that an alcohol ad showed a lack of respect for British heroes.
  - 1 complainant thought an ad lied about the product's country of origin.
  - 1 complainant felt a claim in one ad that the beer had no impact on the environment was misleading.
  - 1 complainant objected to an advertiser's claims of heritage and experience.
  - 1 complainant objected to an advertiser's claim that the beer was new.
- 13 complaints about 13 ads were withdrawn by the complainants.

Complaints that Fell Outside of the ASA's Remit

- 44 complaints were about 42 promotions that fell outside the remit of the ASA. Below is a breakdown of the reason each promotion fell outside remit:
  - 13 complaints were about 13 shop displays, which falls outside the remit of the CAP Code.
  - 11 complaints were about nine TV sponsorship promotions. We referred the complainants to Ofcom as the body responsible for TV sponsorship regulation.
  - 8 complaints were about eight product packages. Product packaging falls outside the remit of the CAP Code.
  - 5 complaints were about five promotions on company owned websites, which currently fall outside the remit of the CAP Code.
  - 3 complaints were about three pieces of editorial content, which the complainants mistook for advertisements.
  - 2 complaints were about the products themselves, not advertisements for those products.
  - 1 complaint was about an ad on a TV channel, which is not licensed in the UK and therefore is outside of the ASA's remit.
  - 1 complaint was in relation to an e-mail that the complainant thought was marketing material. However, this was found not to be the case.

Complaints Investigated and Action Taken

- The ASA investigated 205 complaints about 59 ads
- 143 complaints about 24 ads were not upheld following full investigation.
  - 99 complaints were about misleadingness. The majority of these (95) related to one ad for Stella Artois. The complainants objected to the claim that the beer had been made from the same ingredients since 1366.

— 35 ads were either changed or withdrawn in response to 51 complaints. However, not all of these complaints were about alcohol specific social responsibility issues. For example, 28 complaints were about misleadingness in 16 ads.

Below is a breakdown of the eight ads that were formally upheld following a full investigation in 2008 for breaching the special alcohol rules (these are included in the accompanying CD):

— 1 complaint about an ad that breached the alcohol scheduling rules

— 5 complaints about three ads which linked alcohol to seduction

— 3 complaints about three ads that linked alcohol with youth appeal

— 4 complaints about an ad which linked alcohol with social success and showed irresponsible handling of alcohol

— 1 complaint about one ad was referred to the CAP Compliance team for immediate action. The ad was an unsolicited text message which stated "Win your weight in vodka with Phonealert.co.uk". Given the nature of the ad, it appeared to be a clear breach. We therefore concluded that the case will be best dealt with by our Compliance team for immediate action.

Alcohol Complaints as a Comparison with Other Sectors

This table from the ASA Annual Report 2008 shows the number of complaints by sector.

Please note that the figures quoted below are for the number of complaints relating to the alcohol sector specifically and recorded under the special alcohol rules. As explained above, we have also provided you with a breakdown of all complaints relating to ads that feature or contain alcohol in some way.

Sector	*2007*	*2008*	*% +/−*
Leisure	4,381	**4,571**	4.3
Food and drink (not including alcohol)	3,623	**2,7852**	**–14.6**
Computers and telecommunications	2,249	**2,450**	8.9
Non-commercial	2,388	**2,438**	**2.1**
Health and beauty	1,768	**1,994**	12.8
Motoring	968	**1,745**	80.3
Retail	1,6183	**1,607**	–0.7
Holidays and travel	1,355	**1,462**	7.9
Financial	1,505	**1,326**	–11.9
Business	860	**1,062**	23.5
Household	1,009	**881**	–12.7
Publishing	872	**751**	–13.9
Utilities	323	**428**	32.5
Property	310	**412**	32.9
Alcohol	273	392	43.6[27]
Employment	246	**240**	**–2.4**
Education	139	**156**	12.2
Clothing	161	**120**	–25.5
Industrial engineering	23	**51**	121.7
Tobacco	22	**11**	–50.0
Electrical appliances	11	**11**	0.0
Agricultural	25	**10**	–60.0

Annex B

LAMBRINI (HALEWOOD INTERNATIONAL)

During the oral evidence session on 2 July 2009, the Committee asked for clarification around a number of issues related to Halewood International marketing material for Lambrini. The ASA has now looked into this issue and our findings are outlined below.

1. Lambrini Ads Featuring Coleen Rooney

The ASA has not received complaints about advertisements for Lambrini that feature Coleen Rooney. The ASA has searched a trusted advertising monitoring database (Billets/Ebiquity) and cannot find evidence of those advertisements having appeared in the UK (and certainly not in advertising space regulated by the ASA system).

[27] The 43% rise in complaints between 2007 and 2008 is not reflective of an increase in problems with alcohol advertisements. 2007 was an anomalous year for alcohol complaints, with the numbers being unusually low. The 2008 alcohol complaints figures are still lower than those in 2006.

The ASA understands that Halewood International sought pre-publication advice from the Committee of Advertising Practice (CAP) "Copy Advice" service (a free non-broadcast pre-publication advice service) on proposals for the use of Coleen Rooney in advertising. The advertiser's agency were advised that such a move would be unacceptable under the CAP Code because Mrs Rooney is under 25 years old and could have particular appeal to under 18s.

Both the broadcast and the non-broadcast advertising codes contain specific rules about the age of people in alcohol ads:

> CAP Code rule 56.6 states: "People shown drinking or playing a significant role should neither be nor look under 25 and should not be shown behaving in an adolescent or juvenile way. Younger people may be shown in marketing communications, for example in the context of family celebrations, but should obviously not be shown drinking."
>
> BCAP Code rule 11.8.2(a) (2) states: "Children must not be seen or heard, and no-one who is, or appears to be, under 25 years old may play a significant role in advertisements for alcoholic drinks. No-one may behave in an adolescent or juvenile way."

If the ASA did receive complaints about such an ad we would of course consider them. However, it is important to note that the use of Coleen Rooney on Lambrini's own website falls outside the ASA's remit. The Portman Group regulates alcohol producer websites and can deal with such complaints.

2. Lambrini Sponsorship of "Coleen's Real Women"

The ASA understands that Lambrini has sponsored the television programme, "Coleen's Real Women". Ofcom is responsible for the regulation of television sponsorship. This is because television sponsorship is viewed as being closely aligned with the editorial content of the specific programme and programme integrity and, as such, falls firmly within the regulatory expertise of Ofcom, not the ASA. Therefore, any questions about television sponsorship must be directed at Ofcom.

Any advertisements in paid-for space promoting "Coleen's Real Women" would fall within the remit of the ASA. To date the ASA has not received any complaints about ads for "Coleen's Real Women" featuring Lambrini and again from the searches we have conducted, we believe that no such advertisements have appeared in the space we regulate. If the ASA did receive complaints about such an ad we would, of course, consider them.

3. Lambrini—"Girls Just Wanna Have Fun"

The ASA understands that Halewood International took advice from both Clearcast (the television advertising pre-clearance service) and CAP Copy Advice on proposals for a campaign featuring this strap-line.

— *Television*—the ASA understands that Clearcast advised that it would be unable to clear the use of the "Girls just wanna have fun" strap-line as well as the use of the Cindy Lauper song "Girls just want to have fun" in a Lambrini TV campaign.

— *Non-broadcast*—In February 2009, the CAP Copy Advice service advised Halewood International against the use of the "Girls just wanna have fun" strap-line in the Lambrini ad, as it was likely to be problematic under the CAP Code.

Both Clearcast and CAP Copy Advice advised that the use of the "Girls just wanna have fun" strap-line could be seen as implying that girls would have more fun by drinking Lambrini.

Both the broadcast and non-broadcast codes have strict rules which prohibit alcohol ads from implying that the success of a social occasion depends on the presence or consumption of alcohol, or from implying that alcohol can enhance your mood.

The ASA understands that no Lambrini ads featuring the "Girls just wanna have fun" strap-line are currently running in paid for space in the UK. If the ASA did receive complaints about such an ad we would look into them.

4. ASA Action Against Lambrini Advertisements

Broadcast advertising

Since taking on responsibility for broadcast advertising regulation in 2004, the ASA has not banned any broadcast Lambrini advertisements.

In 2007, one TV ad for Lambrini was formally investigated, but the ASA did not uphold the complaints. The adjudication can be found at http://www.asa.org.uk/asa/adjudications/Public/TF_ADJ_43720.htm.

Non-broadcast advertising

In 2004, before the updated alcohol rules came into force, the ASA upheld 12 complaints against four poster ads for Lambrini about the use of sexual innuendo. The posters appeared in railway stations in Liverpool during the Grand National.

Each poster showed a photograph of three women, one of whom was holding a glass of Lambrini and all of whom were laughing. The posters also showed a photograph of a bottle of the drink with the caption "girls just wanna have fun at the National".

(a) One poster stated "I love a man with a powerful beast between his legs."

(b) A second poster stated "Better to be on the jockey who comes last!"

(c) A third poster stated "Leather boots and whips. Don't you just love a day at the races!"

(d) A fourth poster stated "What I'd give for a well trained stallion …"

The ASA upheld on two points:

1. The ASA considered that the posters contained explicit sexual innuendo that was likely to cause serious or widespread offence. It noted the advertisers did not plan to repeat the posters and told them to contact the CAP Copy Advice team when preparing future similar advertisements.
2. Although the advertisers maintained that the posters did not suggest that Lambrini had any effect on the drinker's sexual capabilities, attractiveness or femininity, the ASA concluded that the advertisement breached the spirit of the alcohol rules of the Code.

In taking action against these ads, the ASA required Halewood International to pre-vet all Lambrini poster ads for a period of two years with CAP Copy Advice. Since this date, the ASA has not had cause to take action against any Lambrini ads.

CONCLUSION

The case of Lambrini clearly demonstrates the effectiveness of the advertising regulatory system:

1. The ASA received and upheld complaints about poster ads in 2004 and by working with the advertiser in the following two years, there have been no further breaches by this particular advertiser.
2. The pre-clearance and advice mechanisms (Clearcast and CAP Copy Advice) have ensured that approaches that are likely to breach the Codes have not been used in the media that we regulate.

This is exactly how the system is meant to work: work happens behind the scenes to ensure that, as far as possible, advertisements that might breach the Codes do not get into the public domain. Where such ads appear, we remove them and work with the advertiser to help them get their ads right.

Annex C

ORGANISATION MEMBERSHIP OF CAP AND BCAP

BCAP MEMBERS

Advertising Association
British Sky Broadcasting Limited
Channel 4 Television Corporation
Channel 5 Broadcasting Limited
Clearcast (observers)
Direct Marketing Association
Electronic Retailing Association UK
GMTV Limited
Incorporated Society of British Advertisers
Institute of Practitioners in Advertising
ITV plc
Radio Advertising Clearance Centre (observers)
RadioCentre
S4C
Satellite & Cable Broadcasters' Group
Teletext Limited
Virgin Media TV

CAP MEMBERS

Advertising Association
Cinema Advertising Association
Clearcast (observers)
Direct Marketing Association
Direct Selling Association

Directory and Database Publishers Association
Incorporated Society of British Advertisers
Institute of Practitioners in Advertising
Institute of Sales Promotion
Internet Advertising Bureau
Mail Order Traders Association
Mobile Broadband Group
Mobile Marketing Association
Newspaper Publishers Association
Newspaper Society
Outdoor Advertising Association
Periodical Publishers Association
Proprietary Association of Great Britain
Radio Advertising Clearance Centre (observers)
Royal Mail
Scottish Daily Newspaper Society
Scottish Newspaper Publishers Association

Advertising Advisory Committee

The Advertising Advisory Committee (AAC) was established in January 2005 to provide independent, third party-advice to the Broadcast Committee of Advertising Practice (BCAP), the body that writes and enforces the rules that control television and radio advertisements.

BCAP is made up of representatives of broadcasters, advertisers and advertising agencies whereas the seven members of the AAC are consumer experts and are independent of the advertising industry. Each of the seven members brings different skills and expertise to the AAC. You can read more about them below. The eighth member is Andrew Brown, Chairman of BCAP, who brings his knowledge and experience of the advertising industry to the AAC.

The role of the AAC is to ensure that the concerns of viewers and listeners are taken into account whenever the BCAP Codes are revised or updated. BCAP must ask the AAC for input whenever it decides to change the Codes and must provide a formal response to the advice given.

The AAC welcomes contributions from viewers and listeners outlining their concerns about the content of TV or radio advertisements. The AAC can be contacted directly at contact@advertisingadvisorycommittee.org.uk.

Further memorandum by Alcohol Focus Scotland (AL 48A)

ALCOHOL ADVERTISING—MAKING FRIENDS AND INFLUENCING PEOPLE

Introduction

The sustainability of business is dependent upon its vitality and ability to exist within a competitive environment. In order to successfully compete, particularly in a mature market such as the UK, businesses argue that advertising and other marketing techniques are essential if they are to keep their competitive edge. They argue that any interference in their ability to do so, other than through self-regulation would diminish that edge. Manufacturers and retailers of alcohol products are no different to any other producer in this respect.

However, alcohol is no ordinary commodity; unlike many others it is a drug which is subject to misuse, with negative consequences for the health and wellbeing of individuals and families. It is a drug which when misused has a negative impact on the quality of our environment, our communities and cities, and it is a drug which can only be sold under licence. In this respect, alcohol is an extraordinary commodity which should not be subject to the same approaches to regulation as those imposed on other commodities which have significantly fewer risks associated with their consumption.

What is Advertising?

Advertising is a process used by businesses to encourage consumption of their products. It is driven by consumer research which seeks to understand the factors which drive people to buy products. It focuses on the relationships not just transactions between producer and the customer, and is designed to influence the behaviour of customers, stakeholders and even competitors.

There are several dimensions to it:

- Stakeholder marketing—corporate affairs, health warnings, media know how, CSR.
- Consumer marketing—product design, price, distribution—advertising and product promotions increase sales and market share, attracting new customers and retain customer loyalty.
- Mass media—TV, press, billboards.

— Other marketing—point of sale, internet, free samples, brand stretching, product placement, sponsorship.

What is its Purpose?

There are several purposes for advertising and marketing.

Advertising and marketing processes aim to associate products with our lifestyles, whether existing or aspirational. They describe a set of values with which we learn to associate by creating images in which commodities become concepts which reflect our lifestyle and behavior aspirations. So, advertising and marketing practice both reflects and shapes our culture and in so doing, normalises alcohol.

For example, the use of sports sponsorship emphasises the association between the product and the activity and is a way of transferring sports values on to the brand which creates unparalled brand allegiance; similarly with music and other artistic activities.

Advertising and marketing is also about creating "brand awareness" or in the case of alcohol products, creating "alcohol awareness". In this way, advertising and sponsorship become one, performing the same key task of promoting the all important brand images that appeal to existing drinkers and more importantly to aspirational drinkers.

Of course sections of the alcohol industry argue that the purpose of marketing techniques is also to promote responsibility, and cite references to the Drinkaware Trust as evidence. However some would argue that this is simply another way to create brand awareness and is relatively ineffective.

It is clear that industry funded efforts to promote safer drinking and discourage drink driving are significantly overshadowed by their product advertising. In 2004 the alcohol industry spent £202.5m on advertising and is currently committed to donating £5m to Drinkaware (but has only donated just over £2m to date). To put this into perspective, a study in the US showed that between 2001 and 2005 alcohol companies spent $4.9 billon on product advertising, but only $104 million (2.1%) on responsibility advertising. As a result young people were 239 times more likely to see a product advert than an industry-funded underage drinking advert.[28]

Furthermore there is evidence that social responsibility messages, whether stand-alone or when added to product adverts, benefit the reputation of the sponsor more than public health.[29]

As an example, reference to the "Drinkaware" website on labels and in alcohol advertising is considered to constitute a sensible drinking message by many producers. But, without explanation, the term "Drinkaware" is completely uninformative and could just as easily be viewed as promoting awareness of new brands of alcoholic drink as it could a responsible drinking message. Indeed adding the Drinkaware logo or introducing "responsible drinking" messages to some products could at best be described as tokenism, and at worst completely contradictory.

Targeting and Exposure

The purpose of marketing and advertising is to increase potential and existing consumer exposure to products. So, regardless whether adverts are targeted towards any age group, or sections of our population, we are all exposed to them and connect to some extent to what they are attempting to sell us. This creates an awareness of products for the potential or current consumer irrespective of their age, and informs their expectations of drinking through their interpretation of the information provided.

There is considerable research evidence on the impact exposure to alcohol advertising has on young people, how it works and how it influences drinking behaviour.

A study published by the Irish Health Promotion Unit, Department of Health and Children[30] on the impact of alcohol advertising on teenagers in Ireland found that children and adolescents develop beliefs and expectations about alcohol use before they ever experiment with alcohol. These beliefs are acquired in a variety of ways such as observation, vicarious learning and cultural stereotypes. It concluded that while alcohol advertisements are not deliberately targeted at those under the legal age to drink, they do however have strong appeal for adolescents. The nine main themes which contributed to that appeal were;

1. Desirable lifestyle and image imitating parents and adult behaviour
2. Humour
3. Social lubrication (facilitation)
4. Sexual attraction
5. Mood alteration
6. The hidden side—some teenagers suggested that the alcohol advertisements ignored the potential negative consequences of alcohol use

[28] CAMY (Center on Alcohol Marketing and Youth) (2005). *Exposure of Hispanic Youth to Alcohol Advertising, 2003–2004.* Washington DC.
[29] Christie *et al* (2001).
[30] *The Impact of Alcohol Advertising on Teenagers in Ireland,* The Health Promotion Unit, Department of Health and Children.

7. Energy provider—in adverts where dancing and lively party scenes were depicted
8. Learning about alcohol
9. Encouragement to drink—depictions of dancing, clubbing, lively music and wild activities were synonymous with their social activity.

Other studies have shown that:

— Youths who saw more alcohol advertisements on average drank more (each additional advertisement seen increased the number of drinks consumed by 1%) and concluded that alcohol advertising contributes to increased drinking among young people[31]

— Watching alcohol adverts on television may make young people drink more alcohol, according to a recent study published in Archives of Paediatrics and Adolescent Medicine[32]

— American studies have found that children and teenagers respond particularly positively to TV advertisements featuring animals, humour, music and celebrities.[33]

So, while the standards say that advertising should not appeal to young people, clearly this is virtually an impossible aspiration.

While alcohol adverts may include a "please drink responsibly" message, television/films which show large amounts of alcohol being consumed do not.

"Come Dine With Me"—a TV programme, in which five strangers host a dinner party each night of the week and score each others efforts.

This is a very popular programme in which many of the contestants provide large quantities of alcohol during the party, which usually consists of a cocktail or champagne on arrival, numerous glasses of wine during the meal, and a cocktail or more drinks after the meal. There have been numerous episodes where the guests are clearly intoxicated whilst scoring. This show is very popular with students and was originally broadcast in the afternoon. Programs like this which show people drinking more than the recommended daily alcohol units preferably should not be broadcast if the participants are demonstrably intoxicated, but at least have a "Please Drink Responsibly" message in the end credits.

New and Emerging Media

Considerable attention is paid to print and broadcast media, but to date there has been little debate about the impact and influence of new media and its use as an advertising and marketing medium.

Texting, use of the internet and developing communications such as Facebook, Bebo, and Second Life are all now an integral part of many younger people's lives. The current regulatory arrangements are at best weak, relying on self-verification of age which can be easily undermined.

The following example is drawn from Facebook.

> "More Alcohol Advertisers Invade Facebook Platform
>
> *4 September 2008*
>
> Alcoholic beverage brands spend $2 billion on advertising every year in the US alone. Multinational Monitor says that alcohol companies "aired more than 2 million television ads and published more than 20,000 magazine advertisements" from 2001 to 2007.
>
> It's no surprise then that, only weeks after Facebook changed its policies regarding alcohol promotion on the Facebook Platform and enabled to Demographic Restriction functionality, alcohol companies are invading the Facebook Platform.
>
> *Sept 3 2008*—Just yesterday, we covered new Facebook campaigns by Miller and Absolut. Today, Buddy Media told us that it is running two successful campaigns with Bacardi and Anheuser-Busch:
>
> *Bacardi*—Over 100,000 adult Facebook members have installed the Bacardi-branded Mojito Party apps since it was launched last week. "Buddy Media developed a social app-vertisment for Bacardi which includes a Mojito bartender game, a Mojito Cocktail Calculator that helps people plan their own Mojito party, and other features that allow drinking-age Facebook users to engage with the Bacardi's "The Original" branding campaign," said Buddy Media's Greg Roth.
>
> *Anheuser-Busch*—The Anheuser-Busch "Party Cruise" app just launched on Facebook and is open to the 4,500 winners of Anheuser-Busch's party cruise contest. "This VIP micro-site, which adheres to Facebook's new demographic restrictions API, will serve as the official "pre-party" destination for winners to locate, interact and engage with fellow cruisers," says CEO Michael Lazerow.

[31] *Effects of Alcohol Advertising Exposure on Drinking Among Youth,* Vol 160 No 1, January 2006 Archives of Paediatrics and Adolescent Medicine 2006, Leslie B Snyder, PhD; Frances Fleming Milici, PhD; Michael Slater, PhD; Helen Sun, MA; Yuliya Strizhakova, PhD.

[32] Alcohol adverts linked to drinking among young people from BUPA—6 January 2006—Michael Paterson for BUPA's health information team.

[33] IAS Factsheet *Alcohol & Advertising*, January 2008.

What Facebook said—"As Facebook wades further into alcohol advertising, it will need to navigate the legal and potential ethical challenges of ensuring that those advertisements are not predominantly seen by underage users."

I asked one of my staff, who is a regular user of Facebook to find out from her 13 year old cousin if she received any alcohol related information/messages.

Within the hour she came back to me with this;

"Actually I don't need to ask my cousin because she has a drinks application on her profile already. She has received 2 non-alcoholic drinks and 2 cocktails, one glass of wine and an "Irish car bomb"."

You must be 18 or over to have a Facebook account, however, this can easily be bypassed by changing your year of birth which this 13 year old did, by indicating that she was in a school grade significantly higher than she is.

There are many different applications specifically for alcohol on new media; below are a selection and their descriptions:

Booze Mail

Send your friends a drink (or even a round of drinks) on Facebook. It's like giving gifts in liquid form. Plus, if they feel inclined, they can redeem the drink by taking you out in real life, too!

—What Kind of Drunk Are You? Quiz

Have you ever wondered what kind of drunk you were? Are you the social butterfly or the belligerent drunk regulating the party? Find out in five easy questions with this fun application!

Happy Hour

Buy your friends cool, tasty beverages after a long day of summer fun. Daily discounts and, of course, happy hour specials!

Virtual Barman

Welcome to the Virtual Barman. You can do all sorts of cool things here:– Send drinks to your friends—Create your own new drinks—Vote on your favorite drinks—Send Beer and Wine Hugs

Today's Reason to Drink

A new reason to drink all 365 days of the year!

iDrink

Over 3,2000 drink & cocktail recipes, 200+ drinking games and drinking information. Enter the ingredients you have to find all the drinks you can make. Send and Receive recipes, votes on your favorites and see your friends favorites plus much more.'

This is just a sample, there are many applications devoted to alcohol. You can also send "stickers" to friend with sayings on them like "Alcohol: Some of the best times you'll never remember."

Of course alcohol producers also use websites to improve awareness of their products which are also subject to age restrictions (though like all others can be easily undermined), which encourage comment and communication. Clearly such applications not only spread awareness of products but also its misuse which, given the sites can be easily accessed by young people under the legal drinking age is extremely concerning.

The issue however remains the same as for print and broadcast media – the use of new media increases the possibility of exposure to alcohol related advertising with a close association with lifestyle and behaviours.

The challenge for regulation is considerable. How will regulatory processes be applied to these forms of media to reduce exposure and harm?

Regulation—Is it Working?

Codes of practice

The possibility that alcohol advertising can have socially adverse effects is already recognised in the special rules drawn up in relation to how, where and when alcoholic drinks can be advertised.

Since 1996, the alcohol industry's Portman Group has operated a voluntary code of practice regulating the marketing of alcoholic drinks with particular reference to young people. This covers the naming, packaging and promotion of alcoholic drinks, but not advertising.

On 1 November 2004, the Advertising Standards Authority (ASA) assumed responsibility for all advertising standards and consumer complaints, both broadcast and non-broadcast. As a result of a voluntary agreement between the manufacturers and the TV companies in 1965, spirits were not advertised on commercial television. This agreement has since been abandoned.

The UK system of advertising regulation has been viewed as ineffective by the World Health Organisation and other international bodies and policy on this and also on labelling needs to be re-examined in the light of the emerging evidence that alcohol marketing does have an effect on drinking behaviour. This indicates the need for robust external governance of alcohol advertising which would take into account the volume as well as the nature of advertising. The current arrangements have not responded well to the development of text messaging and internet promotions and a new system is required to regulate the industry's use of new media. Reviews on the evidence of the impact of alcohol marketing on behaviour undertaken by the Institute of Social Marketing at the University of Stirling have suggested that the full extent of alcohol marketing needs to be understood and regulated to control the effect it has on youth drinking.

As an example, Alcohol Focus Scotland submitted a complaint to the ASA about an advert showing two men cramming a car boot full of cheap beer and cider. It was not upheld on the basis that it was simply "demonstrating the range and number of products available". The Code indicates that "Advertisements must not show, imply or encourage immoderate drinking. This applies both to the amount of drink and to the way drinking is portrayed". It was our view that this advert implied immoderate drinking by the sheer volume of cheap alcohol being bought. Given the scale of alcohol problems in the UK and the damage these problems inflict on our families and communities, we were very disappointed that the ASA refused to uphold the complaint, and we indicated to the ASA that this decision significantly undermined the efforts we are all making to tackle the UK's drinking problem.

The UK is unusual in having no restrictions on alcohol sponsorship in sport. For example, footballers are role models for children and teenagers, and wear the team strip which often has an alcohol product sponsor highly visible. This creates an association between alcohol and sport which AFS considers to be undesirable. While voluntary agreement has been reached in Scotland on the use of alcohol producers' brand logos on clothing available to young people, this is inadequate. Alcohol brands should not be associated with sporting achievement and the UK should follow the lead of other European countries and break this link which sponsorship provides.

Some countries have adopted a ban on televised sporting events showing any advertising of alcoholic products. This is supported by a recent report by the Home Office, evidence statement number 8: "There is consistent evidence to suggest that exposure to outdoor advertising, or advertising in magazines and newspapers may increase the likelihood of young people starting to drink, the amount they drink, and the amount they drink on any one occasion."

In so far as self-regulation is concerned, there is an increasing body of international opinion that suggests that self-regulation is a matter that needs serious re-examination. Evidence of the effectiveness of self-regulation in other sectors is poor, and while considerable effort has been put into setting standards by organisations such as the European Forum for Responsible Drinking, nonetheless its effectiveness relies on voluntary adherence to its code which means that those who choose not to abide by its rules are free to do so.

What is missing from most existing codes is how to regulate applications in the new and emerging media. Use of the internet is expanding and is creating "communities" of existing and potential customers. There are no effective barriers to accessing alcohol websites, especially to those who are willing to submit a fictitious date of birth.

Arguably the internet is an extremely sophisticated and influential marketing tool, enabling the development of "social sites", which without overtly promoting drinking becomes a favoured location to engage with others who share your interests, and becomes a favourite site to visit with celebrity chats and humorous clips. Smirnoff Ice for example contains a lot of "you've been framed" type video clips not relating to alcohol; opinion polls on "Who is the hottest celebrity mom?"; "Who is your favourite band member gone solo?"; or "What is your favourite invention (internet, MP3, cellphone, pizza delivery)?"

The important point is that all of these applications create brand association for whoever looks at them, irrespective of age.

Responses—What Alcohol Focus Scotland Recommends

It is abundantly clear that the debates about the content of adverts, while important, all miss the vital issue of exposure. It seems almost impossible to legislate for content in any effective way, because so much of what is seen is subject to individual interpretation. Furthermore, the "anarchy" of the internet and the evident ease with which controls on its use can be usurped also militates against any effective regulation. However what most of the research indicates is that it is the *exposure* to adverts and sponsorship logos which actually influences people's behaviour, and if that is the case, then the target should be the visibility of

advertising, not the content of adverts. So, it would appear logical and rational, given the scale of the alcohol problems we face in this country and the considerable influence which exposure to advertising has that the only reasonable course of action is to completely prohibit all alcohol advertising.

Jack Law
Alcohol Focus Scotland

9 July 2009

Memorandum by the Advertising Association (AL 53)

1. About the Advertising Association

1.1 The Advertising Association is a federation of trade bodies and organizations representing the advertising and promotional marketing industries, including advertisers, agencies, the media and support services in the UK. It is the only body that speaks for all sides of an industry that was worth around £19 B in 2008. Further information about the Advertising Association can be found at http://www.adasssoc.org.uk/

2. Executive Summary

2.1 The Advertising Association welcomes the opportunity to provide evidence to the Health Select Committee inquiry on alcohol. Although many people enjoy alcohol responsibly, the Advertising Association recognizes public concern about some problem drinking behaviour.

2.2 This paper outlines:

- The current rules regulating alcohol advertising in the UK which are comprehensively enforced by the Advertising Standards Authority (ASA). These rules provide a strictly-enforced framework for companies to communicate commercial messages responsibly in a mature and competitive alcoholic beverage market.
- Research published in June 2008, commissioned by the Advertising Association, about long-term consumption trends and social influences behind heavy and irresponsible drinking, which provides a valuable contribution to informing policy.
- How industry can play a key role alongside Government in promoting awareness about responsible drinking to groups at risk of alcohol misuse.

3. Alcohol Advertising

3.1 Advertising is crucial to a competitive economy. It brings consumer benefits because it fuels brand competitiveness, thereby informing consumer choice. It also has an essential role in funding the media and creating a dynamic, competitive and pluralistic media marketplace.

3.2 Advertising spend on alcoholic drinks products at has fallen over the last four years by 6.4% (from £235 M in 2005 to £220 M in 2008 measured at current prices[34]). When inflation is taken into account the fall is clearly more significant.

3.3 In their commercial communications, companies seek to promote their brands responsibly but do not want in any way to be associated with irresponsible drinking. Alcohol misuse carries with it serious societal consequences and it is not in the interest of either the alcoholic drinks industry or the advertising industry to promote or condone it. There is little worse for a brand than to be associated with irresponsible drinking as the great majority of responsible drinkers will shun it.

3.4 Companies advertise to promote their brand over competitors' brands, in other words to encourage brand-switching. Various studies[35] have shown that advertising is very effective in achieving this, but that it is not the case that all alcohol advertisements collectively impact on total consumption.

4. Advertising regulation

4.1 The advertising and alcoholic beverages industries are committed to ensuring and maintaining effective regulation of their advertising and marketing.

4.2 The advertising of alcoholic beverages is regulated through the Advertising Codes of Practice (the CAP and BCAP Codes[36]). The current regulatory regime for advertising is robust, comprehensive, applies to advertising across all media and is independently enforced by the ASA. The ASA regularly monitors alcohol advertising to ensure compliance with the rules. The ASA's adjudications against advertisers are published and result in swift action to remove or to have amended those advertisements that contravene the

[34] Nielsen Media Research data on total alcoholic drink advertising spend on cinema, direct mail, door drops, internet, outdoor, press, radio and TV

[35] Tim Ambler, Simon Broadbent and Paul Fenwick, "Does Advertising Affect Market Size? Some evidence from the United Kingdom", International Journal of Advertising, Vol 17, No 3, 1998; Tim Broadbent, "Does Advertising Create Demand?", World Advertising Research Center Reports 2007

[36] CAP—Committee of Advertising Practice; BCAP—Broadcast Committee of Advertising Practice

rules. Compliance is extremely high and the 2007 compliance survey undertaken by the ASA as part of its pro-active monitoring of alcohol advertisements revealed that 97% of them complied with the CAP and BCAP Codes.[37]

4.3 The alcohol advertising rules were significantly tightened in 2005 in response to Government objectives set out in the 2004 Alcohol Harm Reduction Strategy—to permit responsible alcohol advertising but to ensure that it does not appeal to, or target, under-age drinkers or glamorize irresponsible drinking and anti-social behaviour. The new rules for alcohol advertising which were introduced in 2005, and are available to view on the ASA website,[38] were tightened up in four main areas to prevent:

— Linkage between alcohol and the success of a social occasion.

— The linking of sexual success with alcohol.

— The potential to appeal to under 18's.

— The portrayal of alcohol being served or handled irresponsibly.

4.4 The stricter rules have resulted in a significant change in the content of advertisements for alcoholic drinks. This is graphically demonstrated in a comprehensive comparison of alcoholic drinks advertisements on TV before and after the Code changes, contained in a paper published by the Advertising Association in 2007.[39] The advertisements discussed within the report are available on the Advertising Association's website: (http://www.adassoc.org.uk/html/research_and_reports.html).

4.5 On television, alcohol advertising is subject to scheduling restrictions as well as content rules to protect children and young people. The scheduling rules are designed to prevent alcohol advertisements appearing in or around any programmes where the proportion of viewers under 18 is more than 20% above the average audience. This is more targeted and effective than a pre-9 pm ban on alcohol advertising on television because it applies across all parts of the day and week, including programmes of high appeal to teenagers that are broadcast after 9 pm. All alcohol advertisements on television and radio are pre-cleared before transmission.

4.6 In cinemas, alcohol advertisements are also pre-cleared and the Cinema Advertising Association (CAA) has recently reviewed and tightened its pre-vetting procedures. There are also restrictions to ensure that alcohol advertisements only appear alongside films where more than 75% of the audience is 18 and over.

4.7 The CAP Code, (the self-regulatory code of practice enforced by the ASA, which sets the rules for advertising in print and other non-broadcast media, sales promotions and direct marketing) restricts the placement of alcohol advertisements by requiring that marketing communications should not be directed at people under 18 through the selection of media, style of presentation, content or context in which they appear. Marketing communications should not be directed at people under 18 through the selection of media, style of presentation, content or context in which they appear, and no medium should be used to advertise alcoholic drinks if more than 25% of its audience is under 18 years old.[40]

4.8 The ASA actively monitors alcohol advertisements to make sure they conform both to the requirements of the non-broadcast and the broadcast advertising Codes. It launches investigations where appropriate, robustly enforces the Codes, and adjudicates on complaints. Its adjudications are publicised on a weekly basis, and advertisers are held to account through a range of sanctions, including adverse publicity.

4.9 In November 2007, the ASA and Ofcom published jointly-commissioned research which assessed the impact on young people of the 2005 revision to the BCAP Code rules on alcohol advertising. The research found that children and young adults are being exposed to fewer alcohol advertisements on television and that there had been a significant decline in young people's recall of alcohol advertisements.[41]

5. Tackling Problem Drinking

5.1 Alcohol is widely enjoyed safely, sensibly and socially, and total alcohol consumption has been declining in recent years.[42] However, the Advertising Association acknowledges and shares public concerns regarding the misuse of alcohol in parts of our society, and we support the need to take multi-faceted measures to tackle irresponsible drinking among the "at-risk" groups.

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[37] The 2007 compliance report is available on the ASA website http://www.asa.org.uk/asa/research/

[38] Non-broadcast alcohol advertising rules in CAP Code
http://www.asa.org.uk/asa/codes/cap_code/ShowCode.htm?clause_id=2152
Broadcast advertising rules in BCAP Code (Section 11)
http://www.asa.org.uk/asa/codes/tv_code/tv_codes/Section+11+-+Other+Categories+New.htm

[39] "Our House is in Order: Analysis of the effect of the rule changes on the content of TV alcohol advertisements"—published by The Advertising Association in cooperation with the IPA and ISBA (June 2007)

[40] http://www.asa.org.uk/cap/codes/cap_code/ShowCode.htm?clause_id=2152 (Section 56.5)

[41] The research also found that fewer young people were likely to state that they thought the advertisements were aimed at them, and also concluded that young people were more likely to say that alcohol advertisements made drinks look appealing and that they would encourage people to drink. However, the ASA said it had deliberately selected "edgier" advertisements that might appeal to under 18's for its research, and that the advertisements chosen for the research were not a representative cross-section of all alcohol advertisements. The ASA also said it was much more difficult to find such advertisements with content likely to be aimed at young people in 2007 compared to 2005, which is itself an encouraging sign that the Code changes have met their objectives.

[42] HM Customs and Revenue data shows that alcohol consumption has fallen by 3% between 2004–07.

5.2 Alcohol misuse by the minority is a problem for the whole of society and for the state of the nation's well-being. However, reasons for excessive and irresponsible drinking vary both by social group and age. Therefore policies need to be appropriately targeted and effectively communicated towards these "at-risk" groups.

6. Identifying and Effectively Communicating with "At-risk" Groups

6.1 Government-led initiatives to promote education and provide early advice and support for problem drinkers are essential, as is a robust approach towards law enforcement.

6.2 The alcoholic drinks and advertising industries can also play a positive and active role, in partnership with Government, in helping to find long-term solutions to alcohol misuse.

6.3 The alcoholic drinks industry has long demonstrated its commitment to helping tackle such issues through self-regulation as well as supporting public awareness and education initiatives. The Portman Group (the self-regulatory body set up by the alcohol producers to promote responsible marketing through its Code of Practice) and the Drinkaware Trust (an independent charity supported by voluntary donations from across the drinks industry) are key actors in this area.

7. Recent Research Demonstrates the Complexity of the Societal Problem of Alcohol Misuse

7.1 *The relationship between alcohol abuse and consumption patterns*

7.1.1 An analysis of long-term trends from data on alcohol consumption in Great Britain over the period 1975–2007, carried out in 2008 by Said Hirsch for Volterra[43] and FDS International, demonstrates that the picture of binge-drinking behaviour in the UK is a complicated one, with alcohol consumption varying by drink type as well as by other factors, such as gender, age-group, and area of the country.

7.1.2 This study has updated the work carried out by Mary Tuck for the Home Office in 1980 (itself updated by John Duffy in 1989). Tuck and Duffy challenged the belief held at that time (the so-called Lederman "single distribution" theory) that any increase in national consumption, howsoever it comes about, will result in more people with alcohol-related problems, and that the key to controlling problem drinking lies in devising policies that control the consumption of alcohol by the whole population.

7.1.3 It was not the aim of Hirsch's 2008 study to analyse the reasons for the changes in these trends, but to look at whether the increase in overall alcohol consumption or, indeed, an increase in the average consumption of different types of drink, leads to an increase in the proportion of frequent drinkers.

7.1.4 Hirsch's analysis shows that there is a lack of consistency in the relationship between average alcohol consumption and the proportion of heavy drinkers by drink type. He concludes that the importance of this finding is that it suggests that, to be effective, alcohol harm reduction policy initiatives need to be appropriately focused on the causes of problem drinking behaviour by those groups of people involved in alcohol misuse, rather than a broad brush approach, through regulations targeting the population as a whole.

7.2 *The Importance of peer influence on problem drinking*

7.2.1 A separate piece of research by Paul Ormerod for Volterra and FDS International commissioned by the Advertising Association in 2008,[44] examined binge-drinking among young people. The study explains the crucial importance of social (or peer) influence operating through personal friendship networks. Ormerod concludes that this is sufficient by itself to explain the large rise in binge-drinking among young people in the UK.

7.2.3 Ormerod's study[45] examined whether the rise in binge drinking is a "fashion" phenomenon, which has spread by people observing and copying what others do. The study finds that relatively small networks of friends can generate and spread a culture that often includes anti-social behaviour linked to alcohol abuse. Such a culture can spread to susceptible outlying members of the social group. In other words, you are more likely to be a binge drinker if your friends are binge-drinkers because in many spheres of social activity, you often imitate your friends.

7.2.4 Applying some statistical emphasis to this claim, the research shows that there are decisive differences in the drinking behaviour of friends of binge-drinkers compared to the drinking behaviour of friends of non-binge drinkers. The findings were that the majority (85%) of binge-drinkers think that most or all of their friends binge-drink, whereas non binge-drinkers think that less than half (only 41%) of their friends binge-drink. This is a very significant statistical difference.

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[43] "The Relationship between Alcohol Abuse and Consumption Patterns", by Said Hirsch, Volterra Consulting, June 2008

[44] Advertising and the misuse of alcohol—The Impact of Social Networks on Problem Drinking, carried out by Paul Ormerod for Volterra and FDS International, June 2008

[45] The study is based on a standard market research survey, consisting of interviews with a representative sample of 504 18–24 year olds in the UK. The aim was to discover both the number of binge drinkers in that demographic segment, where the problem is most acute, and their friendship patterns in terms of drinking behaviour.

7.2.5 The importance of these personal networks also extends to work colleagues. 65% of binge-drinkers think that most, or all, of their work colleagues binge-drink, compared to just 34% of non binge-drinkers. Although this difference is not as pronounced as with the networks of friends, it is still, in statistical terms, highly significant.

7.2.6 Many previous studies have related movements in alcohol consumption to factors such as disposable income, price and advertising. None of these have taken into account the possible effect of copying the behaviour of others, in other words of "fashion" or peer influence, as an important causal factor.

7.2.7 The Ormerod study is a relatively small one, but it was inspired by an important article on the spread of obesity in America, published in 2007 in the New England Journal of Medicine.[46] This analysis was conducted using sample data covering 12,000 people, who were monitored over a period of more than 30 years (1971–2003.) It found that social influences on behaviour were very powerful.[47] Ormerod states that "The paper in the New England Journal proved that 'fashion', the influence of other people on an individual's behaviour, is a crucial factor in the spread of obesity in the US".[48]

7.2.8 The US research and Ormerod's 2008 research, taken together, provide strong indications of the importance of friends and peer pressure in areas of problem social behaviour such as binge drinking and obesity.

8. The Role of Industry in Encouraging Behavioural Change

8.1 Advertising can be used as a force for good in society. It has long been used very effectively by the Government to promote positive behavioural change (for example, anti drink-driving campaigns, seat-belt campaigns). Advertising can play a powerful role as part of a much wider holistic approach to promote behavioural change through positive messaging. This can be an effective way to tackle alcohol misuse as long as it is accompanied by practical and targeted community-level initiatives and by appropriately-resourced policing and law enforcement.

8.2 It is this *combination* of appropriate communications and targeted enforcement that changes behaviour. This is a long-term objective, which cannot be tackled by any single policy initiative alone. It requires a multi-faceted approach coordinated by Government working with industry stakeholders and non-governmental organizations to promote education and awareness, together with proper enforcement of existing laws.

9. Conclusions

9.1 The factors behind alcohol misuse are complex and vary between population groups and regions. Peer pressure is the most significant factor behind binge-drinking amongst 18–24 year olds.

9.2 In commercial communications, companies are promoting their brands to encourage brand-switching. It is not in the commercial interest of drinks companies to encourage irresponsible consumption and it is not the case that all alcohol advertisements collectively impact on the total level of consumption.

9.3 The advertising and alcoholic beverages industries are committed to robust and effective regulation of their advertising and marketing, and fully supported the tightening up of the rules in 2005, resulting from the Government's recommendations in its 2004 Harm Reduction Strategy.

9.4 The objectives of brand advertising are different to public information advertising, such as Government anti drink-drive campaigns, or the recent Think! campaign. Such campaigns seek to increase awareness, or educate, or otherwise change behaviour in the general population or amongst specific target groups.

9.5 The success of such Government campaigns in changing behaviour over the longer term demonstrates that harnessing advertising as part of a much wider holistic approach to promoting behavioural change through positive messaging can be an effective way to tackle societal issues, including alcohol misuse.

March 2009

Memorandum by Constellation Europe (AL 54)

1. Introduction

1.1 Constellation is the largest wine company in the world; the largest multi-category supplier of beverage alcohol in the United States; a leading producer and exporter of wine from Australia, South Africa, New Zealand and Canada; and both a major producer and independent drinks wholesaler in the United Kingdom.

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[46] NA Christakis and JH Fowler, "*The spread of obesity in a large social network over 32 years*", New England Journal of Medicine, 357, 2007

[47] For example, the chance of any individual being obese increased by 57% if he or she had a friend who became obese.

[48] "*Advertising and the Misuse of Alcohol*", Ormerod, Section 3, Page 47.

1.2 Constellation Europe is pleased to submit its response to the House of Commons Health Select Committee inquiry into alcohol. We feel qualified to address the following areas of inquiry:

— Central government policy;

— The role of the alcohol industry and those responsible for the advertising and promotion of alcohol; and

— Solutions, including whether the drinking culture in England should change, and if so, how.

2. Executive Summary

2.1 Constellation believes that the majority of the public in England, who consume wine, do so on a responsible and enjoyable basis.

2.2 Where there are issues with excessive consumption among certain sections of the population suppliers like Constellation believe that they can play a market based role in encouraging a more responsible approach to alcohol consumption.

2.3 This requires investment in the wine category through brand building and consumer education. At present, wine suppliers like Constellation have no profit margins with which to invest due to the continued increases in taxes levied on the industry.

2.4 These margins have been eroded and now destroyed with Constellation having to absorb successive UK duty hikes. In calculating duty levels HMT makes the explicit assumption that duty levels are passed through to the consumer. They are often not in practice.

2.5 Consumers will not pay more for a product just because the government increases taxes. Suppliers must continue to build brands in order to achieve price premiumization. But, annual duty increases prevent the industry from investing in branding which encourages the industry to drive volume over value. Thus, market pricing continues to stagnate because of duty increases, not in spite of them. This is an unsustainable commercial position which conflicts with achieving Government's health policy goals.

2.6 To help the Government achieve its health policy goals Constellation have been calling on the Government to consider the following:

— Ending the duty escalator and ensuring that further duty increases are not announced in the Budget 2009. Further duty increases must be suspended until profitability returns to the wine sector and the economy has recovered.

— Offering the industry full transparency on the model used to calculate duty levels. A key assumption that duty rates are passed through to the consumer does not bear witness in practice.

— Consideration of a mechanism by which duty rates are passed onto the consumer. This could be done either by enforcing duty levels at point of retail or through VAT.

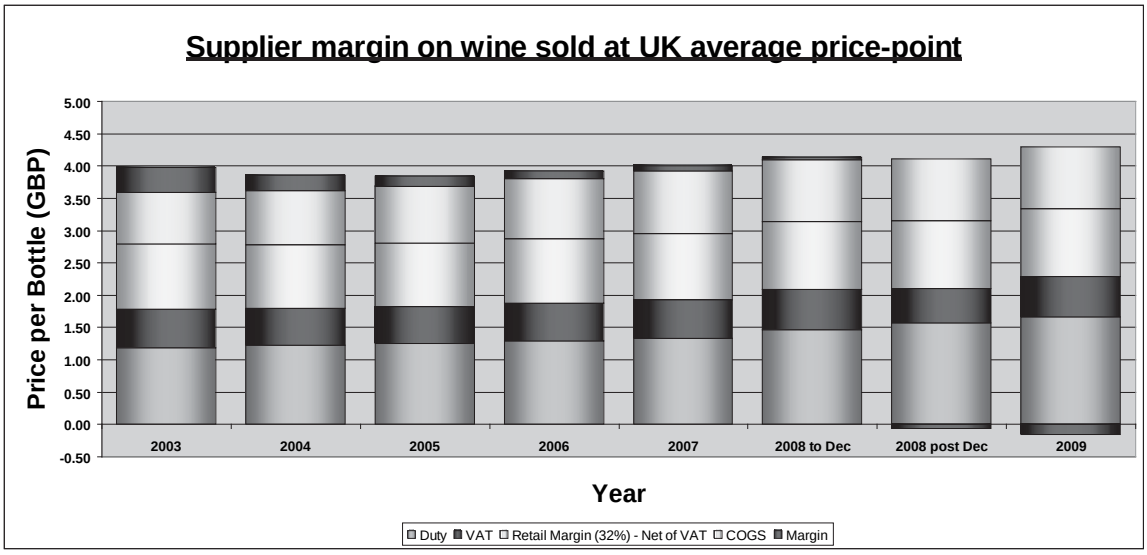
2.7 Removing this tax burden from suppliers would enable them to develop market based campaigns to help the Government secure wider social and health policy goals.

3. Central Government Policy

3.1 Constellation believes that central Government policy is currently in conflict with itself. On the one hand HM Treasury wishes to maximise tax revenue from the alcohol sector. This has encouraged suppliers to "pile it high, sell it cheap" in order to survive commercially and deliver revenue returns to the Government. On the other hand the Department of Health is against the practice of aggressive discounting as this is seen to foster excessive purchasing and consumption.

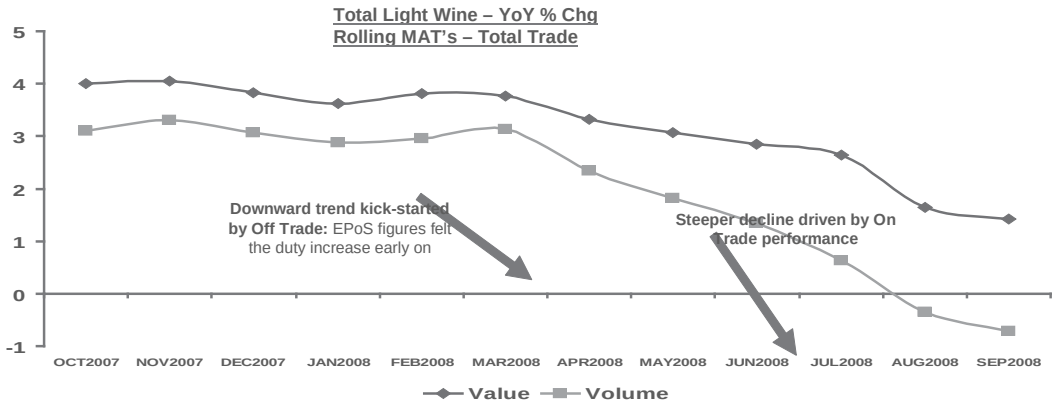
3.2 In calculating duty levels HMT makes the explicit assumption that duty levels are passed through to the consumer. This is not the case in practice. Duty increases announced last year are estimated to amount to an additional tax on our business of £52M, much of which has been absorbed by us.

3.3 It is now crunch time for the wine sector, Constellation included. Margins have disappeared to the extent that losses are now being made and are expected to worsen in 2009. Constellation has announced the elimination of 200 positions and will dramatically reduce local investment in the UK as a result of last year's duty increases.



3.4 At the same time, while bottle prices have only gone up slightly, wine volumes and value have fallen over the last six months. This is despite aggressive promotions by retailers in an attempt to attract footfall.

Light Wine's Year on Y **volume and value growth** has slowed considerably over the last 6 months and volume now in significant decline. Negative growth is anticipated to accelerate with recent duty increase.



3.5 Data for the final quarter of 2008 is also expected to show an acceleration of negative growth.

3.6 Current policy, combined with the economic downturn, is therefore both destabilising our business and delivering reducing revenue for the government. At the same time, combined with the dynamics of the market, it is undermining wider government social policy objectives on alcohol consumption.

4. The Role of the Alcohol Industry and Those Responsible for the Advertising and Promotion of Alcohol

4.1 Wine suppliers like Constellation consider that they can play a market based role in encouraging a more responsible approach to alcohol consumption among the public, where this is desired.

4.2 Such a strategy entails investing in the category through brand building and consumer education in order to encourage consumers to trade up to better wines and with it drive a better drinking experience.

4.3 This move to adopt a different drinking behaviour would also have a positive impact on consumption and misuse. Similar strategies have been successful in the United States.

4.4 Constellation does not support moves to further ban advertising and promotion of wine, rather to use marketing strategies to promote a more responsible approach to alcohol consumption.

5. Solutions, including Whether the Drinking Culture in England should Change and If So, How?

5.1 Constellation believes that the majority of the public in England, who consume wine, do so on a responsible and enjoyable basis.

5.2 Constellation believes that the drinking culture in England should and can change to one where consumers value the experience of drinking wine rather than seeing it as a cheap opportunity to consume excessive amounts of the product.

5.3 For Constellation and other suppliers to play their part in helping bring about this behavioural change, Constellation calls for the Government to suspend all further duty increases which will allow renewed investment in the category and with that better engaged consumers.

5.4 Removing this tax burden from suppliers would enable them to develop market based campaigns to help the Government secure wider social and health policy goals.

March 2009

Memorandum by Dr James Kneale (AL 55)

BRITISH DRINKING FROM THE 19TH CENTURY TO THE PRESENT

A. Executive Summary

1. Contemporary discussions of British drinking often suggest breaks or continuities with the past, but these tend to draw on recent experience. A focus on questions of alcohol supply, for example, reflects the spectacular boom of the "night-time economy" over the last 30 years.

2. However there has been a *long decline in alcohol consumption* from the late 17th century. Levels rose again in the 19th century but fell rapidly and significantly from the late 1880s onwards, remaining low until the late 1960s.

3. The last 30 or 40 years have seen a significant shift in these long-term trends, not just because *consumption levels are rising again,* but because of the growing popularity of stronger drinks (wine and spirits).

4. These changes are not a simple consequence of the availability of alcohol. Changing *levels of prosperity* are also significant, but rising income has not always resulted in increased consumption. For this reason it is also essential to consider changing *consumer habits*.

5. *Government intervention* seems to have been most effective when it has followed the tide of events; free trade policies have had a limited or temporary effect when set against long-term decline and the slow evolution of consumer tastes. Recent growth does not seem to be the result of any particular policy relating to alcohol, though the licensing of supermarkets from the 1960s may have encouraged domestic drinking.

B. The Author

6. I am a historical geographer in the Department of Geography at UCL. I am interested in the place of alcohol in 19th and 20th century British culture and have published on the internal organisation of the pub, its role in urban public space, and geographical aspects of alcohol policy over the last century and a half.

C. Alcohol Consumption since 1800

The 19th Century

7. We think of the century as a time of great drunkenness, particularly in comparison with the 20th, but it represents part of a very long-term decline in the significance of drink for British society. In the 17th century beer was an essential aspect of everyday life (and diet); it has been estimated that consumption reached *over 100 gallons per head per year in 1689.* Beer drinking declined during the 18th century, and while drink remained important in the 19th century the period between 1800 and 1960 saw consumption fall to its lowest recorded point. This constitutes a decline over more than *two and a half centuries*, which puts the recent revival of drinking into perspective.

8. Between 1830–34 and 1895–99 the annual per capita consumption of beer in England and Wales rose by only 2%—though for the UK as a whole this figure was 44%, reminding us that different places had different drink problems (see 25 below). The annual per capita consumption of spirits rose by around 25% in the UK over the century. The 1830s and 1870s represent peak consumption years for beer, spirits and wine, with the 1840s and late 1880s representing slumps.

9. Free trade arguments prompted lower spirit duties in the 1820s and inspired the 1830 Beerhouse Act. There were about 45,000 pubs in the UK in 1830 but by 1838 nearly 46,000 beerhouses had been added to this total under the new Act. Despite the increased availability of beer and lower prices *consumption rose only briefly* before levelling off again by 1840; spirit drinking also rose and fell between 1825 to 1840. The decline in the 1840s is probably due to *hardship* as well as *changing tastes* (competition from tea). Levels of prosperity and changing habits can be just as significant as availability and price.

10. The second and more significant peak in the 1870s was the culmination of a slow, steady rise to the century's highest level. This seems likely to have been a reflection of *prosperity and rising wages*. It has been suggested that working-class consumers saw drink as a "treat"—not as a necessity, as it had been before the 19th century—and as a good way to dispose of rising incomes. This seems to have been short-lived as

consumption levels began to fall again in the 1880s *despite wages rising* until the mid 1890s. By the 1880s there were many counter-attractions for working-class consumers (music halls, football, cigarettes, and holidays); this decline seems to be a question of *changing tastes*.

The 20th Century

11. Per capita consumption of beer and spirits continued to decline until the First World War, which marks a significant moment because of the Government's efforts to control alcohol production and consumption—the most sustained attempt to come to grips with drink in British history. Measures included shorter opening hours, higher duties on beer, and significant reductions in both the production and strength of beer. The amount of beer consumed in 1918 was nearly half of the pre-war total, despite rising incomes, and arrests for drunkenness in England and Wales fell from 190,000 to 29,000 between 1913 and 1918.

12. Levels of consumption continued to fall after the war. Britain had become more home-centred, and these homes were often new ones, far from pubs or off-licences. While the Depression undoubtedly kept demand low in some areas, the majority of workers saw real wages increase between the wars. However spending on alcohol did not increase, because drink had many rivals now: radios and gramophones, gardening, cinema and the pools. Per capita beer consumption hit what is probably a historic low point in the first half of the 1930s, about half of what it had been in 1900; it rallied briefly after the end of the Second World War, but demand only really began to pick up again in the late 1960s.

13. The post-war revival in drinking is extremely significant. It represents a return to levels of drinking last seen before the First World War; but it also shows a significant shift in tastes. The slow rise from the 1960s probably reflects another case of prosperity-inspired drinking; it also reflects the increased participation of women in the workplace, leading to a rise in the demand for wine in particular. Over the last thirty years the consumption of beer has risen and fallen again, but recent falls have been eclipsed by the rise of wine-drinking. The consumption of wine almost doubled between 1985 and 2000, and the 2000 figure of 26.8 litres per person per annum is more than ten times the amount drunk in 1876, the high point of 19th century wine-drinking.

14. Twenty-first century wine consumption remains much higher than it was in previous centuries. Despite its democratization wine still tends to be drunk by consumers in the higher social groups; in 2003 71.6% of those who drank wine at least once a week were in social classes AB and C1. In 1997 supermarkets accounted for 61% of all UK wine sales, with other off-licences selling an additional 23%.

15. Spirits also increased in popularity after the Second World War, especially in the 1970s; per capita consumption trebled between 1953 and 1990. A small fall in the 1990s preceded higher figures at the beginning of this century, reaching 0.95 proof gallons per capita per head in 2003. Again this seems to be a consequence of rising incomes and changing tastes.

16. The change in tastes represented by the return of spirits and the rise of wine is extremely important. Graphs that show consumption levels of drinks in terms of their alcohol content (eg p10 of the Government's Alcohol Harm Reduction Strategy, 2004) show that wine and spirits contributed about 40% of the alcohol consumed in 2000. In comparison beer, which accounted for over 70% of the alcohol consumed in 1900, made up less than half of this total.

17. While income remains significant, it should be noted that alcoholic drinks make up a much smaller part of household or individual budgets than in the past. At the start of the 20th century it was estimated that about a sixth of working-class incomes went on drink; at the end of the century it was more likely to be under 5% of household budgets (with non-alcoholic drink and food representing around a sixth). This suggests that *changes to income or price will not have such a significant influence on consumption as they have in the past*.

Numbers of Drinking Places

18. The relationship between the number of licensed outlets and the consumption of alcohol is not straightforward. However many commentators have assumed that the recent expansion of the "night-time economy" has been the cause of increased drinking. During the 19th century the drink trade also did very well: breweries consolidated into a smaller number of larger businesses, the production of beer grew steadily and the tied house system expanded, though the number of premises fell behind the rate of increase of the UK's population.

19. However historic rises in the number of licensed premises have led to only *temporary increases* in consumption. As described above (9), while the Beerhouse Act of 1830 doubled the number of places where alcohol could be bought, this had only a limited, decade-long, effect on consumption.

20 The total number of outlets in England and Wales declines in the late 1830s after this period of growth, then grew again in the 1840s. Considering pub and beerhouse "on" licences together, there were around 85,000 premises in 1840; this total reached a peak of about 115,000 in 1870 and then fell to 96,000 by 1900.

The *per capita* consumption of spirits and beer rose and fell over the same period, with peaks in the late 1870s. The fact that the highest point of consumption coincides with the peak number of premises is sometimes seen as proof that an over-supply of premises promotes consumption. However as we have seen this was also a period where working-class incomes rose significantly, some of this being spent on drink; questions of *demand* must also be considered.

21. Between 1920 and 1939 the number of "on" licences in England and Wales fell by around 10,000 to about 74,000; many licensing authorities forced brewers to exchange several old licences for each new one. Numbers continued to fall until a low of about 69,000 in 1961, picking up again after this and rising faster in the early 1970s.

22. The last three decades have seen significant growth. There were about 82,000 "on" licensed premises in 1975 and about 110,000 in 2001, an increase of 34%—though about half of this growth came from restaurants, hotels and private clubs rather than pubs. In 1989 the number of on-licences in England and Wales exceeded the figure for 1900, a significant moment.

23. The modern off-licence owes its origins to Gladstone's "grocer's licence" of 1861 which encouraged the development of wine merchants like Gilbeys and Victoria Wine. Like other free trade drink policies this did little to encourage consumption; per capita levels fell after the 1870s and did not grow again until the 1950s. It seems likely that working-class consumers were not yet prepared to change their habits, despite wine's increased availability and lower prices.

24. Off-licences have grown faster than pub numbers since 1945; they regained their 1905 level by 1964, suggesting that home drinking grew faster than on-sales. The number of off-licences increased from about 31,000 to 44,000 between 1975 and 2001. Sainsbury's was the first supermarket to acquire an off-licence, in 1962, and this period coincides with the increased popularity of wine (per capita consumption doubled between 1960 and 1970). These off-licences were now able to open in shop hours, rather than pub hours. In 2004 supermarkets and other "multiple grocers" accounted for 65% of the turnover in off-sales.

Historical Geographies of Drinking

25. It is not particularly helpful to talk of a "British attitude to drinking" because there has been considerable geographical variation as well as a good deal of historical change. As noted above (8), while the annual per capita consumption of beer rose by only 2% in England and Wales between 1800 and 1900, it rose by 44% for the UK as a whole; Ireland and Scotland had much lower consumption levels. Across the UK urban dwellers tended to consume more alcohol than their rural counterparts, and areas dominated by trades like mining and dock work also recorded higher levels. In 1900 the average per capita expenditure on alcoholic drink was estimated to be £4 10s and 4d a year; the average dock worker was thought to spend 8s and 4½d on drink *every week* in 1899, nearly five times as much as this average figure. Maps of arrests for drunkenness must be treated with care because police were keener to prosecute in some areas than in others but Rowntree and Sherwell's map from 1899 clearly shows more arrests per head of population in London, the North-East, North-West, and parts of Wales, and fewer arrests in Southern England. The North West Public Health Observatory's contemporary maps of binge-drinking show a similar north-south divide, "wet" cities and "dry" rural areas.

26. Despite these variations the idea that "the British" drink differently from the rest of Europe persists. This sometimes takes the form of a comparison between Mediterranean "wine-drinking cultures" and Northern and North-western European "beer-drinking cultures"; wine is drunk with food, while beer is consumed to get drunk. There are three problems with this:

— The distinction between British and "Continental" consumption of food and drink is not all that clear, historically speaking.

— "Wine-drinking countries" may not suffer from the *public order* problems associated with British drinking but some experience severe *health* problems.

— Today's binge-drinking is increasingly "Continental", reflecting a shift *away from beer* as the main element of alcohol consumption, and a new emphasis on wine.

27. Until the 19th century there was a good deal of similarity between Britain and the rest of Europe in terms of the food on offer in public drinking places; the sale of anything more than simple meals like bread and cheese was prohibited in order to distinguish drinking places from inns or taverns. While some 19th century British pubs cooked food brought in by patrons, food became less important, which is why the "improved public houses" of the 20th century made it a central part of their appeal.

28. On a related note the most striking difference between British and other European drinking places is the absence of table service in the former, which are also associated with rapid "perpendicular drinking" (ie standing at the bar). However table service remained part of the culture of pubs in the Midlands and northern England until the second half of the 20th century, with some examples surviving today in Lancashire and on Merseyside. The bar counter was also an integral part of the Parisian café, often held to be the antithesis of the British pub.

29. In terms of contemporary international comparisons, per capita levels of consumption may be falling elsewhere in Europe, but Britain remains drier than many countries. The French consumed about twelve litres of alcohol per head per year in 1996 (the British figure is just under eight litres); in 2002 they consumed nearly three times as much wine as the UK (per capita per year). German per capita consumption of beer was 20% higher than in the UK in 2002; the Irish nearly 50% higher. Health costs of drinking are as unequally distributed as social costs. Countries with higher levels of death from chronic liver disease and cirrhosis than the UK between 1993 and 1995 include France and Germany; Ireland, Greece, and the Netherlands had lower rates. These figures cut across any line we might try to draw between Europe's "beer-drinking" and "wine-drinking" regions.

D. Recommendations for Action

30. Questions of demand (taste and habit) have long been ignored at the expense of issues of supply (production and retail). We need to know why consumption has risen again. Will it fall if incomes do? Or will tastes shift away from drink again, irrespective of income?

31. Geography matters. Many of the new residential areas thrown up by 19th century urban expansion did not have pubs, making the area "drier". With the success of drink-driving legislation roadside pubs have become less appealing. And while there is continued concern over "clusters" of licensed premises in urban centres, we should remember the significance of off-license sales, particularly from supermarkets, and high levels of home drinking. There is little research on off-sales and domestic drinking, on the connections between supermarkets and homes.

32. The number of teetotal adults appears to be rising; the proportion was estimated at 12% in 1980 and about 18% in 2003. Clearly some drinkers are receiving more than their share of increased consumption, but can we learn anything from the increasing popularity of abstinence?

33. Early 20th century reformers argued that the drink problem required far-reaching social reforms as well as public health programmes: decent housing, protection from unemployment, old-age pensions. This is still true today. The poorest members of society continue to suffer disproportionately from alcohol-related harm, but they are not, on the whole, more likely to drink. Eileen Goddard's report *on Smoking and drinking among adults* from the 2005 General Household Survey noted that

> "…the GHS has shown over many years that there is little difference in usual weekly alcohol consumption between those in non-manual and manual households. Where differences do exist, it has been those in the non-manual categories who tend to have the higher weekly consumption."

Policies such as minimum pricing will presumably affect only the poorest heavy drinkers, and they need other kinds of assistance. If we are worried about wine, on the other hand, then perhaps we need to consider measures aimed at more affluent consumers, and the role of off-sales.

April 2009

Memorandum by the Drinkaware Trust (AL 56)

Executive Summary

— The scale of alcohol misuse in the UK is extensive and varied, placing a disproportionate burden upon the NHS.

— The Drinkaware Trust believes that one essential approach must be to provide independent and clear information to consumers in a neutral space so that they can make informed decisions about their alcohol consumption.

— Behavioural change is a process which cannot happen quickly. The UK drinking culture can be changed if educational initiatives receive sufficient investment over a long enough period.

Introduction

1. The Drinkaware Trust (Drinkaware) is an independent charity established in January 2007 as a UK wide, public-facing body with the objective of positively changing public behaviour and the national drinking culture to help reduce alcohol misuse and minimise alcohol-related harm, funded by voluntary donations from across the alcohol industry.

2. Established initially for a three year period (2007–09) following government proposals for a producer fund, Drinkaware is uniquely placed as a trusted independent source of information for consumers. This will enable them to make informed decisions about their own alcohol consumption and health.

Scale of Alcohol Misuse in the UK

3. Recent results from the General Household Survey showed that over a third (37%) of adults had exceeded the Government's recommended guidelines of 2–3 units for women and 3–4 units for men on at least one day in the past week. 20 per cent of adults consumed more than double the benchmark on their heaviest drinking day of the week. This represents a slight increase from 2006.[49]

4. There are different causes for concerns across age groups. Those in the 16–24 age bracket were more likely (at 28%) to have drunk more than double the guidelines than any other age group on their heaviest drinking day.[50] This is an alcohol consumption pattern associated with anti-social disorder and accidents. However, adults aged over 45 were more likely (at 21%) to drink five days a week or more, a pattern of increasing concern amongst liver specialists.[51, 52]

5. Latest figures showed that the number of 11–15 year olds who have never tried alcohol has risen to 46% in 2007. This is an encouraging improvement from 39% in 2003. However, there is still a worrying increase in levels of alcohol consumption amongst those drinking; from an average of 9.5 units in 2003 to 12.7 in 2007.[53]

6. This level of alcohol misuse represents a heavy burden on the NHS. Alcohol misuse is calculated to cost the health service £2.7 billion per annum.[54] In 2006–07, there were over 800,000 alcohol-related hospital admissions, an increase of around 9% on 2005–06.[55]

Role of The Drinkaware Trust

7. The Department of Health white paper *Choosing Health: Making healthy choices easier* placed a strong emphasis upon the importance of individuals taking responsibility for their own health.[56] However, individuals cannot do this without clear information. They are also highly sensitive to perceived excessive "nannying" from the state. The government's own FRANK initiative has established a successful model for communications lacking any state associations. Drinkaware seeks therefore to provide clarity on alcohol in a similar neutral space, by providing a one-stop shop of information through its flagship website www.drinkaware.co.uk, and other vehicles. The site receives over 100,000 unique visitors a month, and is currently helping over 2,600 people monitor their personal alcohol consumption using our online unit calculator and drinks diary feature.

8. Across the UK there is a diversity of people working to tackle this problem and Drinkaware works in full partnership with voluntary and community organisations, through our alcohol awareness grants programme and supports a wide range of practitioners including PCT, youth group workers and teachers with our educational materials—over 85,000 are distributed a month.

9. The Trust is funded by voluntary donation by the alcohol industry. We invite donations from producers, on-trade retailers and off-trade retailers. The target level of funding for 2008 was £4 million. The actual funding we received in 2008 was £2.6 million, of which £2.2 million was donated by the Portman Group. The targeted funding for 2009 was £5 million. Changing attitudes and behaviour on a national level will require long term and more substantial financial—something that is already happening in other public health areas. We have seen this most notably in the government-industry partnership Change4Life, which is benefitting from a £75 million commitment from government and £200 million media spend commitment from the Advertising Association's 33 member companies.

Solutions

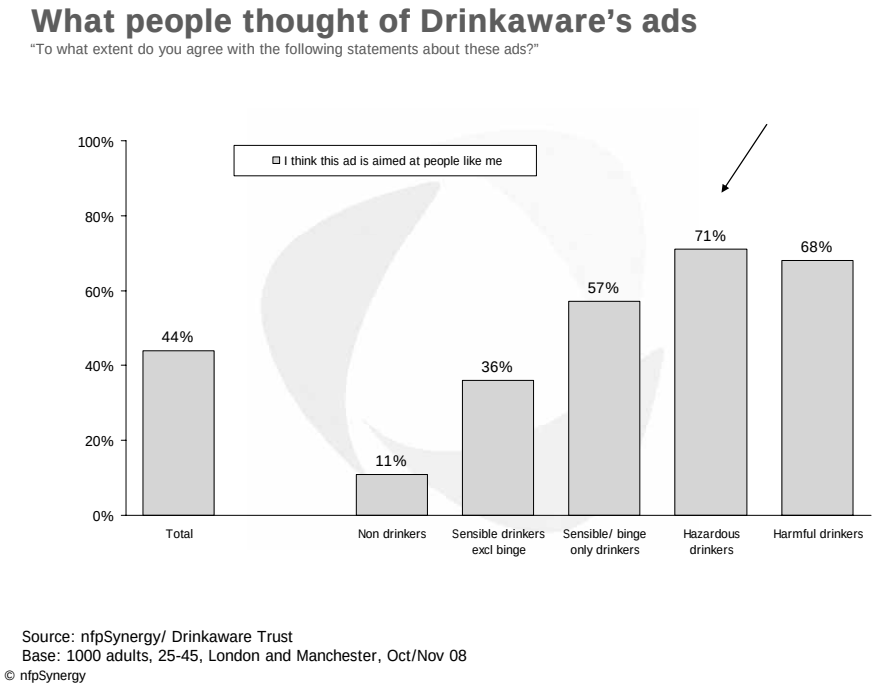
10. There is continued debate about the most effective methods of reducing excessive alcohol consumption. Legislation, regulation, self-regulation and enforcement all have an important part to play. However, education should always have a central role. At the root of the alcohol misuse problem in the UK is behaviour ingrained in our culture for thousands of years. The public cannot be expected to accept attempts to change these deep-rooted social habits without clear information about the extent of the problem, and how it applies to them.

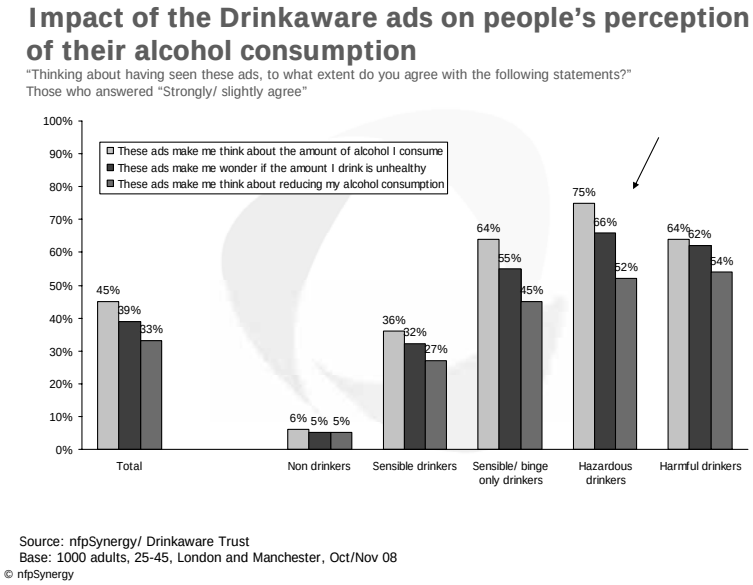
11. We have seen however that the problem of alcohol misuse varies across different population groups. If the behaviour is different so should the initiative designed to change this behaviour. Drinkaware therefore favours the social marketing approach of targeting initiatives across appropriate lifestyles and life stages.

12. Our 2008 campaign "Alcohol: How much is too much?" took such a targeted approach in communicating with 'hazardous' drinkers who due to consuming the majority of their alcohol at home did not necessarily know they might be consuming too much. One of the key tasks for alcohol public education

[49] Office of National Statistics, *Smoking and drinking amongst adults 2007*, ONS (2009).
[50] ibid.
[51] ibid.
[52] Hatton J, Burton A, Nash H, Munn E, Burgoyne L, Sheron N. "Drinking patterns, dependency and life-time drinking history in alcohol-related liver disease". *Addiction* 2009; 104: 587–592.
[53] *Drug use, smoking and drinking amongst young people in 2007*, The Information Centre (2008).
[54] *The cost of alcohol harm to the NHS in England: An update to the Cabinet Office (2003) study* Department of Health (2008)
[55] NI39 updated figures, North West Public Health Observatory, 2008 at http://www.nwph.net/alcohol/lape/NWPHO_La_LapeIndicators200902.xls
[56] *Choosing Health: Making healthy choices easier,* Department of Health (2004).

campaigns is enabling people to identify that the message is targeted at them. We were therefore incredibly pleased that in an evaluation of the campaign 71% of hazardous drinkers were able to identify that the ad was aimed at them and that 75% of hazardous drinkers also agreed that the ads made them think about their alcohol consumption.





13. Engaging with the alcohol misuse issue is only the first step in what can only be a long process of behavioural change. Drinkaware sees its task as one that will not be achieved over night. Our approach is to ensure that people are equipped with the latest expert information about alcohol from which they can make informed decisions about their own alcohol consumption, by reaching out to consumers in strategically targeted ways. In this way we believe can contribute in a significant way to reducing the burden upon the NHS, narrowing the scale of alcohol misuse spread across the population and producing a future healthier UK.

14. A key task for 2009 is to secure agreement on the funding and development of Drinkaware after the expiry of the current agreement at the end of 2009. The continuing and full support of the industry and government will be necessary if this is to happen.

April 2009

Supplementary memorandum by the Drinkaware Trust (AL 56A)

DONATIONS TO THE DRINKAWARE TRUST 2007—09

Existing funders	*Donations*[1] *2007 actual*	*2008 actual*	*2009 to date*[2]
	£	£	£
Producers			
Anheuser-Busch Europe Ltd[3]	10,000	n/a[3]	n/a[3]
Beam Global Spirits and Wine (UK) Ltd[4]	50,000	n/a[4]	n/a[4]
Foster's EMEA Ltd	25,000	25,000	50,000
Global Brands Ltd	5,000		
Heineken (UK) Ltd[5]	7,500	n/a[5]	n/a[5]
Inver House Distillers Ltd	5,000	5,000	
Morrison Bowmore Distillers Ltd	5,000	7,000	
SAB Miller plc	100,000	100,000	100,000
The Edrington Group Ltd[4]	50,000	50,000	
William Grant & Sons Distillers Ltd			10,000
Total	**257,500**	**187,000**	**160,000**
Pub Companies			
J D Wetherspoon plc	15,000	15,000	
Marstons plc	12,500	12,500	6,250
Mitchells & Butlers plc	50,000	100,000	100,000
Enterprise Inns plc	25,000		
Punch Taverns plc[6]	50,000		50,000
Total	**152,500**	**127,500**	**156,250**
Retailers			
ASDA Group Ltd[7]	30,000	30,000	TBC[7]
J Sainsbury plc[7]	50,000	50,000	TBC[7]
Marks and Spencer plc			15,000
Tesco plc	75,000	75,000	75,000
First Quench Retailing Ltd	15,000	15,000	
Waitrose Ltd	10,000	5,000	5,000
Total	**180,000**	**175,000**	**95,000**
The Portman Group[8]	2,137,500	2,201,625	2,267,676
Total	**2,137,500**	**2,201,625**	**2,267,676**
Other			
Scotch Whisky Association[9]	5,000	5,000	5,000
Worshipful Co Distillers	1,250	3,250	1,250
PH Trust			5,000
Total	**6,250**	**8,250**	**11,250**
Grand Total	**2,733,750**	**2,699,375**	**2,690,176**

NOTES

[1] The above amounts represent unrestricted (with the exception of the Scotch Whisky Association) cash donations to The Drinkaware Trust. They exclude any "in kind" provision such as space for Drinkaware campaigns in outlets or on packaging and other expenditure by donor organisations on programmes to tackle alcohol misuse.

[2] Cash and firm commitments received to date; discussions are continuing with previous and potential new funders.

[3] Merged with InBev, a Portman Group member, July 2008.

[4] Beam Global Spirits and Wine (UK) Ltd is in an international sales and distribution alliance with the Edrington Group, announced Sept 2008.

[5] From April 2008 Scottish & Newcastle became part of Heineken N.V. S&N UK is now the UK operating company within Heineken's Western European Region, and is a Portman Group member.

[6] Punch Taverns plc declined to contribute in 2008.

[7] ASDA Group Ltd and J Sainsbury plc have committed to funding in 2009, but are yet to confirm donation size.

[8] The Portman Group member companies: Bacardi-Martini Ltd, Beverage Brands (UK) Ltd, Brown Forman, Carlsberg UK Ltd, Molson Coors Brewing Company (UK) Ltd, Diageo Great Britain Ltd, InBev UK Ltd, Pernod Ricard UK Ltd, Scottish and Newcastle UK Ltd.

[9] Contributions from Scotch Whisky Association (SWA) towards the cost of materials to support Scotland's Alcohol Awareness Week. Figures do not represent contributions from individual SWA members.

Memorandum by Dr Phil Withington and Dr Angela McShane (AL 57)

FLUCTUATIONS IN ENGLISH DRINKING HABITS: AN HISTORICAL OVERVIEW

1. Introduction

1.1 This short report considers, as requested, fluctuations in English drinking habits since the middle of the sixteenth century. It falls into five sections. Section 2 provides a chronology of drinking (as gauged by levels of consumption) from c.1550 to the present day. Section 3 outlines the variety of interrelated factors which have influenced drinking habits over the past four and a half centuries. Section 4 lists some of the most obvious continuities connecting present circumstances to the past. Section 5 identifies two of the fundamental discontinuities in the current situation.

2. Chronology

The chronology of alcohol consumption (based on estimates of quantities consumed) can be roughly divided into five stages.

2.1 *c 1550–1650*

This (largely neglected) period saw the commercialisation of the domestic brewing industry, leading to the replacement of ale by beer as England's primary staple. Beer was a Dutch import and the establishment of domestic production was in large part due to the influx of Protestant refugees during the 16th C. The period also saw a significant increase in wine imports orchestrated primarily by Dutch merchants acting as trading brokers—they widened the market for French wines and ensured more efficient means of distribution. Early estimates suggest that the quantities of wine imported in the first four decades of the 17th were the highest per head that England has witnessed until the present day, a trend brought to an end by the upheavals of civil and European war after 1640. In a third development tobacco became a commodity of genuine mass consumption from the later 1620s, quickly becoming an accompaniment to existing drinking practices.

2.2 *c 1650–1750*

This is the period that, as Jordan Goodman puts it, "Europeans took to soft drugs". Coffee, tea, and chocolate were all successfully introduced into the domestic diet and, over time, began to supplement the role of beer and ale as primary popular staples. The period also saw the beginning of the opium trade and, more noticeably at this stage, the invention of new artificial spirits, ostensibly for medicinal and military purposes and subsequently for popular consumption. The so-called "gin craze" that flared up intermittently from the 1730s to the 1750s can deflect from the more general trend in the decline or at least stabilisation in levels of alcoholic consumption due to the increasing availability of alternative drinks and their absorption into existing patterns of consumption and sociability.

2.3 *1750–1850*

Alcohol consumption continued to fall per head during what used to be known as "the Industrial Revolution". Although the production of beer levelled at about 16 million barrels per year from 1750 (compared to 23 million barrels per year in 1689), population grew from six to nine million between then and the end of the century. The consumption of spirits was half that of official mid-century figures by the end of the century. The only drink to increase—and then spectacularly—was tea, which replaced beer in the same way that beer had replaced ale as the popular staple of everyday consumption in the later 16th C. However, into the 19th C even tea consumption declined and in the meantime wine, which had been consumed at a relatively stable level since the end of the 17th C, also declined sharply (from 0.46 gallons per head p.a. in 1800 to 0.23 gallons p.a. in 1850). All of which leads John Burnett to argue that there was 'a dramatic fall in living standards for large sections of the population' brought about by the onset of industrialisation (182).

2.4 *1850–1960*

The century of reduced consumption reversed in the third quarter of the 19th century, Burnett noting that "Beer, spirits, and wine in the UK all reached 19th C peaks within a year of each other—spirits in 1875 at 1.30 gallons a year, beer at 34.4 gallons a year (England and Wales 40.5 gallons in 1875–9), and wine at 0.56 gallons in 1876". The consumption of tea also more than doubled. This surge was based on renewed prosperity for larger sections of the populace. It mutated back into the familiar trend of decline in consumption after 1876 as (according to Burnett) "the development of new spending patterns and recreational opportunities was at last beginning to break the hold of alcohol on consumers' time and income" (182).The downward trend in alcohol consumption continued into the second half of the 20th century (eg considerably less wine was drunk in 1957 than 1937 and tea reached an all-time peak of 10.5 lb per person in 1932).

2.5 *1960–present*

The general decrease in alcohol consumption that has largely characterised England during the industrial era (ie between 1750 and 1950) has reversed since 1957: the consumption of beer has increased from 151.6 pints per head per annum in 1960 to 175.1 in 1995 (with a peak of 217.1 in 1979); cider from 2.9 pints per head per annum to 15.3; spirits (at 100% alcohol) from 1.25 to 2.25 pints per head per annum; and wine from four pints to a remarkable 25.5 pints per head per annum. It is the immediate juxtaposition between current habits and recollections of a temperate, pre-1960s Britain that makes, perhaps, current drinking habits seem especially disconcerting. This is the more so given the plethora of other intoxicants now available for consumption. Even so, it is well to remember that in 2002 the UK had the 14th highest level of alcohol consumption per head in Europe—lower than France, Germany, Portugal, Spain, and even Switzerland. This was 3 litres per head higher than 1970, when the UK lay 16th in the same table.

2.6 *Summary*

In terms of consumption (inevitably crudely measured at times) it can be seen that England experienced a significant rise and consolidation of drinking levels during the "early modern period" (1550–1750). Between 1550 and 1650 there was a commercialisation of "old world" production and distribution plus the introduction of tobacco. The 100 years after 1650 were in turn characterised by the assimilation of, and moral panics about, new commodities, in particular coffee and gin. In the following two hundred years, which coincided with industrialisation and massive increase in population, there was a marked decline in the consumption of alcohol. The post-industrial or post-modern era (post-1960) seems to have returned to the kind of trends in the early modern period: increased consumption—especially conspicuous and public consumption among certain sections of the population—facilitated by powerful business organisations that are extremely competent at managing their relationship with political authority.

3. The Explanatory Framework

3.1 Clearly to generalise about the causes of these trends, especially over such a long period of time, would be disingenuous and probably misleading. Instead it makes more sense to identity the combination of factors which have influenced English drinking habits over the past 450 years. These factors provide an explanatory framework for understanding modern drinking practices and can be traced back to 1550–1750. This "early modern" period witnessed:

(a) The commercialisation of English and European beverages and their more efficient production and provision.

(b) The influx of "New World" substances and commodities and their assimilation into indigenous (English and European) tastes.

(c) The establishment of global trading networks and pressures that (b) suggests.

(d) Simultaneous economic and social developments which meant a significant proportion of the populace could choose to spend more income and time on drinking.

(e) The ability of corporate institutions—eg brewing guilds and colonial enterprises like the Virginia Company and East India Company—to exert political pressure locally and nationally.

(f) The fiscal exploitation by the state—eg through the control of licensing, import duties and taxation—of the expanding trade and markets that (a), (b), and (c) represented.

(g) The simultaneous concern of the state—or at least groups and bodies within it—to regulate and police consumption.

(h) The adaptation of patterns and conventions of sociability by which drinks were consumed, and which encouraged the increase in demand for alcoholic and other beverages.

(i) Related developments in material culture and the physical spaces of intoxication.

(j) The close association between the consumption of intoxicants and new forms of cultural production—eg literature and theatre.

(k) The emergence of moral movements seeking to limit and reform drinking habits: the "puritan" (broadly defined) "Reformation of Manners" from 1547, the "Society for the Reformation of Manners" from 1691, the various temperance movements into the later 18th and 19th centuries.

(l) The concurrent development of media technology (in the first instance print) and a "public sphere" through which to influence public opinion.

3.3 Since the 16th century these factors have combined in various ways at the macro and the micro level. Understanding these combinations goes some way to comprehending the history of modern drinking and the place of the current situation within that history. Thus:

3.4 *At the macro-level we need to consider*

(a) The political economics of drinking: in particular, the relationship between "big business" (domestic and/or global) and the state, and the balance between fiscal exploitation and social regulation;

(b) The economics of production and distribution, including the provision of alternative or complementary commodities and the purchasing power (and "taste") of consumer/s;

(c) The energy, influence, and persuasiveness of reformatory bodies (whether religious or secular);

(d) Prevailing stereotypes about "worthy" behaviour and the appropriation of those values by different social groups. "Worth" refers here not simply to "rational", "civil", or "moral" behaviour but also behaviour perceived as "modish", "fashionable", or "cool" among different peer groups.

3.5 *At the micro-level we can focus on*

(a) The spatial dynamics and material culture of sociability, in terms of sites, their organisation, layout, size, artefacts, and integration or segregation with the wider environment

(b) The temporality of drinking: before the introduction of tea and other 'soft' drinks (including clean water) alcohol was a source of daily—hourly—nourishment as well as release. Now it demarcates time in the short and the long-term ("cocktail hour", "happy hour", "weekend binge"; the fundamental boundary between childhood and adulthood (as perceived by youths rather than authority)).

(c) Perhaps most importantly, *the codes, conventions and rituals that tacitly or explicitly guide behaviour of individuals and groups*, the knowledge and learnt behaviour these requires, and the possibilities of social distinction, inclusion and exclusion they raise (see 3.4.d. above).

(d) This relates, finally, to the perceived function/s and acceptability of different kinds of drinking and the likely sociology of particular kinds of drinking company—for example, a wine-tasting, civic dinner, or (for example) police Christmas party compared to the nightclub on a Saturday night.

4. Continuities

4.1 Having outlined an explanatory framework for fluctuations in drinking habits over time it is now worth considering two of the major continuities that link the contemporary situation with more general historical trends. The first of these is:

4.2 *The "problem" of affluence*

The most authoritative social history of English drinking currently available emphasises that phases of excessive (and antisocial) behaviour and/or heightened moral anxiety have usually occurred in times of what can be regarded as accentuated and asymmetrical affluence. This is an important insight. There is sometimes a tendency to regard the consumption of alcohol in the past, especially in its excessive forms, as social or psychological dependency: ie drunkenness is a means of consolation and escape for the poor and desperate. This is especially the case when the word of social reformers and moralists is taken as social reality, and/or when historians look to use drinking as a means of distinguishing between "elite" and "popular" culture. Clearly there are, and always have been, strong correlations between drunkenness (and any other kind of drug-dependency) and social deprivation. However, the most significant rises in alcohol consumption since 1550 have invariably been related to *proportional* increases in wealth for significant sections of the populace: conspicuous consumption is driven by wealth, not poverty. This has been in conjunction with cultural developments that make consumption—including excessive consumption—desirable and normative.

4.3 *Governmental Responses:*

Even before the 16thC governmental responses have reflected tensions between the desire to exploit drinking practices fiscally and a concern to regulate what were perceived to be (at any given moment) their moral and social implications. Either way the impact has always been significant, though not always in the way intended. At the intersection of these impulses has been the power to tax and to licence. Supplementary policies have also followed a distinct pattern over time, focusing on the timing of consumption and retail; the quantities sold or drunk; the venues at which retail could take place; and the strength of drinks through control of ingredients in recipes. The history of state action has been clouded by the competing political influences of reformatory and business interests. It has also been hindered by the difficulty of shaping drinking cultures "on the ground" and tarnished by degrees of hypocrisy which, again since the 16th century,

have seen certain social groups targeted—in particular youth and the lower orders—while professional and elite drinking remains sanctioned and condoned. A further problem has been the implementation of legislation that conflicts with popular conceptions of legitimacy and equity.

5. Discontinuities

5.1 Sections 2, 3 and 4 have suggested a basic explanatory framework for understanding the phenomena of drinking in England since the 16th century. They have also emphasised the essential continuity of modern drinking practices over time. Much more work needs to be done in order to establish in detail how these factors combined and intersected over time, especially at the micro-level. Indeed a properly comparative study of drinking habits in Britain and Europe since the early modern period—eg exploring the validity and provenance of stereotypical "northern European" and "southern European" drinking cultures—would shed enormous insight on current practices.

5.2 In the meantime it is worth concluding with two features of the contemporary situation which distinguish the present from the past. Both developments are the product of complex and ongoing historical processes and most people would regard them as social and political achievements. However, both bring new pressures to bear on the micro and macro dynamics of drinking habits.

5.3 *The emergence of the "bio-medical state":*

The medical industry now has the technology, knowledge, and incentives (especially commercial) to identify and treat many of the biological consequences of alcoholic consumption. This is in definite contrast to previous centuries, when medicine was more likely to use alcohol as a treatment rather than cure its related maladies, and when the primary impact of medical practitioners was, it seems, to create, legitimise and/or popularise new kinds of intoxicants: eg tobacco in 17th century, opium in 18th century, cocaine in 19th century, heroin in 20th century.

5.4 The welfare state is expected to insure the provision of medical technology, knowledge, and products for the populace at large. This is true in terms of immediate provision—ie Friday and Saturday nights in Accident and Emergency departments—and long-term treatment for various alcohol-related and alcoholic-specific ailments. This again marks a significant discontinuity with the past and is likely to have important and possibly unforeseen consequences:

5.5 Since the 16th century at least, alcohol and other intoxicants have been a crucial source of revenue for the state. The very real possibility of successfully treating the consequences of consumption—and the cost that this involves—threatens to reduce the public profitability of intoxication. This is the more so as people enjoy the benefits of medical treatment and so live and drink for longer.

5.5 Responsibility for behaviour in general and personal health in particular has, to lesser or greater degrees, shifted from the individual person—or, more accurately, families and communities of individuals—to the welfare state. The state feels obliged to consider the health of the nation and its subjects (albeit this kind of discourse can be traced back to the 17th century); and the culture of self-help and self-discipline which, by necessity, shaped practices of consumption before the mid-20th century have been dissipated.

5.6 *Gender and Drinking*

One of the recurring characteristics to emerge from the ESRC Network on Intoxicants and Intoxication in Historical and Cultural Perspective (www.intoxesrc.org) is that intoxication has traditionally been the preserve of males. Whatever their social and cultural standing—ie Ugandan "youths", medieval knights, the Victorian urban "poor"; 20th century "post-modernists", 16th century "wits", Somali village elders—drinking, especially to excess, has been a masculine preserve. What is striking about current trends in Britain is that women are now engaging in many of the same drinking practices as men, and consuming similar if not more amounts of alcohol in the process.

5.7 The significance of this discontinuity is the more apparent because it follows a relatively long period of time in which the possibility of "respectable" females drinking in public—especially women alone or accompanied only by other women—was severely circumscribed. That this period of increased differentiation between masculine and feminine behaviour—ie between c.1750 and 1950—coincides with the main phases of decline in alcohol consumption (see above) is clearly suggestive. Yet even *before* the development of the modern family template—in which (ideally at least) the feminine household became a domestic and private retreat from the travails of work and public life—"honest" women did not engage in the kind of sociability tacitly expected of men.

5.8 Increased female consumption of alcohol may go some way to explaining the increases in general consumption since the 1960s since half the population was tacitly barred from drinking before then. Whatever the ultimate limits of gender equality in contemporary Britain there can be no doubt that, from a historical perspective, there has been a revolution in gender relations. Women now attend university like

men, apply for many of the same jobs as men, have disposable incomes like men, and, it seems, participate in the same kinds of leisure culture as men (*if* surveys emphasising "Binge Britain" are to be believed). The full implications of this transformation do not seem to be properly understood but they are certainly fundamental to the current situation.

Dr Phil Withington
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April 2009

Memorandum by Dr Peter Anderson (AL 58)

AN OVERVIEW OF ALCOHOL AND ALCOHOL POLICIES

This overview is based on three publications:

1. Anderson, P., Chisholm, D., & Fuhr, D.C. Reducing the harm done by alcohol. Lancet. 2009. In press.
2. Anderson P, Baumberg B. Alcohol in Europe. Report for the European Commission. London: Institute of Alcohol Studies, 2006. http://ec.europa.eu/health/ph_determinants/life_style/alcohol/documents/alcohol_europe.pdf
3. Anderson, P. Evidence for the effectiveness and cost-effectiveness of interventions to reduce alcohol-related harm. Copenhagen: World Health Organization Regional Office for Europe. 2009. In press.

Harm Done By Alcohol

Intoxicant

Alcohol is an intoxicating drug that affects a wide range of structures and processes in the brain, which, when interacting with personalities and expectations, is a cause of intentional and unintentional injuries and harm to people other than the drinker, including reduced job performance and absenteeism, family deprivation, interpersonal violence, suicide, homicide, crime, and drink driving accidents, and a contributory factor for risky sexual behaviour, sexually transmitted diseases and HIV infection. Estimates vary, but it is suggested that alcohol is a cause of one in three of all injury deaths amongst men aged 20–64 years and one in five of all such deaths in women.

Teratogen

Alcohol is a potent teratogen with a range of negative outcomes to the foetus, including low birth weight, cognitive deficiencies and foetal alcohol disorders. Although it is difficult to prove whether or not occasional drinking is detrimental during pregnancy, most public health authorities assume no safe level of consumption.

Neurotoxin

Alcohol is toxic to the brain, leading, in adolescence, to structural changes in parts of the brain that deal with memory, and, in middle age, to shrinkage of the brain.

Dependence producing drug

Alcohol is a dependence producing drug, similar to other substances under international control, through its reinforcing properties, and subsequent to adaptation by structures in the brain.

Immunosuppressant

Alcohol suppresses the immune system, increasing the risk of infectious diseases, including tuberculosis and pneumonia.

Carcinogen

Alcoholic beverages are classified as cancer causing by the International Agency for Research on Cancer, being a cause of cancers of the oral cavity and pharynx, oesophagus, stomach, colon, rectum and breast, with no safe level of consumption.

Coronary heart disease

Alcohol has a double relation with coronary heart disease. In low, and apparently regular doses (as little as one drink every other day), alcohol reduces the risk of heart disease, although scientific doubt remains about how big this reduction might be, and, at high doses, particularly when consumed in a binge fashion, increases the risk of heart disease and of sudden death from irregularities in the heart rhythm.

Risk of death

The risk of dying from a chronic alcohol-related condition (such as high blood pressure or cancers) throughout life increases from zero consumption with the amount of alcohol consumed, and from an acute alcohol-related condition (such as accidents) increases from zero consumption with both the frequency of drinking and with the amount drunk on an occasion. The lifetime risk of death rises above one in 100 for both men and women when more than two drinks are drunk on average each day. This level compares with an arbitrary limit often used for environmental toxins of a risk of death of one in 1,000,000, and the lifetime risk of dying in a traffic accident associated with driving 10,000 miles a year in the US of one in 60.

Community impact

At the level of the community, there is a very close relationship between a community's overall alcohol and its level of alcohol-related harm and alcohol dependence. Deprived communities have an increased risk of harm, even when taking into account individual differences in drinking behaviour.

Alcohol Policies

Alcohol policies can be considered as sets of measures aimed at minimizing the health and social harms from the use of alcohol. There are also a variety of other policies which can reduce or increase alcohol-related problems, but which are not normally described as alcohol policies, since they are not implemented specifically to reduce alcohol-related harm as a primary aim, such as general road safety measures.

Information and education

Providing information and education is important to raise awareness and impart knowledge, but, particularly in a living environment in which many competing messages are received in the form of marketing and social norms supporting drinking, and in which alcohol is readily accessible, do not lead to changes in behaviour. Reviews of hundreds of studies of school-based education have concluded that classroom-based education is not effective in reducing alcohol-related harm. Although there is evidence of positive effects on increased knowledge about alcohol and on improved alcohol related attitudes, there is no evidence for a sustained effect on behaviour.

The limited available research has shown that industry funded educational programmes tend to lead to more positive views about alcohol and the alcohol industry.

There have been no rigorous scientific evaluations of whether or not public information campaigns based on drinking guidelines as used in the UK have any impact on alcohol-related harm.

Evaluation of the impact of health warnings on alcohol product containers do not demonstrate that exposure produces a change in drinking behaviour. These results contrast with evidence from tobacco, where there is evidence of an impact on quitting smoking. Nevertheless, warning labels are important in helping to establish a social understanding that alcohol is a special and hazardous commodity.

Health sector response

There is extensive evidence for the effectiveness of early identification and brief advice for persons with a risky level of alcohol use in the absence of severe dependence, with evidence that less intensive advice is just as good as more intensive advice. It is difficult to get primary care staff to deliver brief advice, but there is much more evidence and experience of how to do this: one option to consider is at least to get all GPs and practice nurses to run screening and advice programmes in high blood pressure clinics, and reimburse GPs as part of quality paid programmes.

For individuals with severe alcohol dependence and related problems, a wide variety of specialized treatment approaches have been evaluated, with evidence of good effect for behavioural therapies and pharmacological therapies.

One of the main problems is that there is an enormous mismatch between need and availability of help (for example, in general practice, it has been estimated that, commonly, less than 10% of the population who drink riskily are identified and less than 5% of those who could benefit are offered brief advice. In England, only one in 18 of alcohol dependent drinkers actually access treatment).

Community programmes

Community based programmes can include education and information campaigns, controls on selling and other regulations reducing access to alcohol, enhanced law enforcement and surveillance, and community organization and coalition development. Interventions which have controlled access, and which have involved enforcement have been found to be effective in reducing alcohol related traffic fatalities and assault injuries.

Work place programmes

There is some evidence of a limited impact of work place programmes in changing drinking norms and reducing harmful drinking. A lot more needs to be done to structure work settings to minimize the risk of exacerbating alcohol-related harm, particularly in the current time of the economic crisis.

Drink-driving policies

There is powerful evidence that lowering the legal blood alcohol concentration (BAC) is effective in reducing drink-driving casualties, provided it is supported by intensive breath testing. There is no evidence that designated driver schemes (where one person is designated as a non-drinking driver) reduce road traffic accidents.

The availability of alcohol

Government monopolies for the sale of alcohol reduce alcohol-related harm; such systems tend to have fewer stores, which are open for shorter hours than systems of private sellers. Implementation of laws which set a minimum age for the purchase of alcohol show clear reductions in drinking-driving casualties and other alcohol-related harms; the most effective means of enforcement is on sellers, who have a vested interest in retaining the right to sell alcohol. Urban settings, particularly those that promote the night time economy, can be risk factors for harmful alcohol use and harmful patterns of drinking. An increased density of alcohol outlets is associated with increased levels of alcohol consumption amongst young people, with increased levels of assault, and with other harms such as homicide, child abuse and neglect, self-inflicted injury, and, with less consistent evidence, road traffic accidents. While extending times of sale can redistribute the times when many alcohol-related incidents occur, such extensions generally do not reduce rates of violent incidents and often lead to an overall increase in consumption and problems. Following the 2003 Licensing Act in the United Kingdom, which recommended in general that shops, stores and supermarkets be allowed to sell alcohol at any time which they choose to open (24 hours opening), pubs stayed open on average only an extra 27 minutes. No real change in alcohol-related crimes was found up until 3am, but a 22% increase in crimes occurred between 3am and 6am. In other words, alcohol-related crimes were shifted until later in the night. In some studies, changes in the licensing act appeared to have little impact on the numbers of people treated for injuries sustained through assault, although in other studies, there were large increases in the number of night time alcohol-related attendances in accident and emergency departments.

Advertising alcohol

Alcohol is marketed through increasingly sophisticated advertising in mainstream media, as well as through linking alcohol brands to sports and cultural activities, through sponsorships and product placements, and through direct marketing such as the Internet, podcasting and mobile telephones. The Science Group of the European Commission's Alcohol and Health Forum recently concluded that alcohol marketing increased the likelihood that non-drinking young people will start to drink, and the likelihood that existing young drinkers will drink in a more risky fashion. The effects of advertising exposure seem cumulative: young people who are more exposed are more likely to continue to increase their drinking as they move into their mid-twenties, while drinking declines at an earlier age in those who are less exposed. The international evidence and experience do not suggest that self-regulation implemented by advertising, media and alcohol producers prevents the types and content of marketing that impact on younger people.

Pricing policies

Drinkers respond to changes in the price of alcohol as they do to changes in the price of other consumer products. When other factors are held constant, such as income and the price of other goods, a rise in alcohol prices leads to less alcohol consumption and less alcohol-related harm and vice versa. The increase in price results in a drop in consumption that is relatively smaller than the price increase; thus, increasing alcohol taxes not only reduces alcohol consumption and related harm, but increases government revenue at the same time, noting that, in general, alcohol taxes are well below their maximum revenue producing potential and that collected revenue is usually well below the social costs of alcohol. If prices are raised, consumers reduce overall consumption and tend to shift to cheaper beverages, with heavier drinkers tending to buy the cheaper products within their preferred beverage category. Policies that increase alcohol prices delay initiation of drinking, slow young people's progression towards drinking larger amounts, and reduce young people's heavy drinking and the volume of per occasion drinking. Price increases reduce the harms caused by alcohol, as well as alcohol dependence. Setting a minimum price per unit of alcohol is modelled to reduce consumption and alcohol-related harm. Both price increases and setting a minimum price will have a much greater impact on heavier rather than lighter drinkers, with modest or only minimal extra financial cost to lighter drinkers.

Drinking environments

The relationship between drinking and alcohol-related harm can be both affected and mediated by the physical and social context of drinking and by the succeeding contexts while the drinker is intoxicated. There is some evidence that safety-oriented design of bar and club premises and the employment of security staff, in part to reduce potential violence, can reduce alcohol-related harm. Whilst interventions modifying the behaviour of those serving alcohol and of door and security staff are rather limited on their own, there is some evidence for effectiveness when backed up by enforcement by the police.

Reducing the public health impact of illegally and informally produced alcohol

Unrecorded alcohol, defined as homemade alcohols, illegally produced or smuggled alcohol products as well as surrogate alcohol that is not officially intended for human consumption (mouthwash, perfumes and eau-de-colognes) can have health consequences due to an higher alcohol content and chemical contamination, for which many poisoning outbreaks and fatalities have been recorded internationally, and possibly from some other contaminants which have been attributed to higher rates of liver disease. Illegally traded alcohol can bring a health risk due to either contamination during the trading process or due to a lower cost than legal alcohol, and thus higher consumption. The experience with tobacco smuggling would suggest that the widespread introduction of tax stamps which record that duty has been paid, coupled with electronic movement and surveillance systems to track the trade of alcohol, could reduce illegal trade.

Implications for policy development

A main goal of alcohol policy is to promote public health and social well-being. In addition, policy can address market failures by deterring children from using alcohol, protecting people other than drinkers from the harm done by alcohol, and providing all consumers with information about the effects of alcohol. Further, the concept of "stewardship" implies that the state has a duty to look after important needs of people individually and collectively. It emphasises the obligation of states to provide conditions that allow people to be healthy and, in particular, to take measures to reduce health inequalities. The stewardship-guided state recognises that a primary asset of a nation is its health: higher levels of health are associated with greater overall well-being and productivity. In the UK, with a long tradition of government regulation of the sale of alcohol, full adoption of evidence-based alcohol policies would be a matter of recovering a lost policy tradition that has been abandoned relatively recently in the face of the deregulatory phase of the past three or so decades.

Since there are significant commercial interests involved in promoting alcohol's manufacture, distribution, pricing and sale, the alcohol industry has become increasingly involved in the policy arena in order to protect its commercial interests, leading to a common claim among public health professionals that the industry is influential in setting the policy agenda, shaping the perspectives of legislators on policy issues, and determining the outcome of policy debates towards self-regulation. It has been argued that the responsibilities of the alcohol industry in reducing the harm done by alcohol should be related to its product, through, for example, commitments to a minimum pricing structure, and commitments to support reductions in illegally traded alcohol.

And, finally, effective alcohol policies can be eroded by international trade, trade agreements and cross-border issues. For example, there is substantive evidence that the introduction of a single market for alcohol in the European Union in 2003 resulted in significant tax competition between countries, and thus lower tax rates than would have occurred without a single market.

About the Author

Dr Anderson is trained as a general practitioner and a specialist in public health medicine at the University of Oxford and the London School of Hygiene and Tropical Medicine. His PhD thesis was on the risk of alcohol. From 1992 to 2000, he worked as the regional advisor for both alcohol and tobacco with the European Office of the World Health Organization. Since 2001, he has worked as a consultant in public health and has been an adviser in the field of addictions to the European Commission, the World Health Organization and several Ministries of Health around the world, including the UK Department of Health. He is the European Editor of the journal Drug and Alcohol Review, President of the international scientific society on brief interventions for hazardous and harmful alcohol consumption, INEBRIA, member of the European Commission's science group on alcohol and health, and advisor to the World Health Organization's expert Committee on alcohol. He is an honorary associate professor at the University of Maastricht in the Netherlands. He has over 120 publications in international peer reviewed journals and is the author or editor of some 15 books.

April 2009

Memorandum by Dr James Nicholls (AL 59)

DRINKING CULTURES AND CONSUMPTION IN ENGLAND: HISTORICAL TRENDS AND POLICY IMPLICATIONS

Executive Summary

1.1 This report provides an overview of trends in drinking behaviour from the medieval period to the present, with a focus on the role of policy in shaping consumption. Levels of alcohol consumption have fluctuated over time, declining in the late 18th century, rising in the 19th, falling sharply in the early twentieth century, then rising again from the 1960s to the present day. Macro-economic factors have played a critical role in shaping alcohol consumption, as have the availability of alternative drinks and leisure activities. However, policy decisions—especially regarding licensing practice and taxation—have also been instrumental in organising retail structures and framing patterns of consumption.

1.2 James Nicholls researches the history of public attitudes to drinking in England. He is the author of *The Politics of Alcohol: A History of the Drink Question in England* (Manchester University Press, 2009).

Medieval Britain

2.1 It is often claimed that heavy drinking among the English stretches back many centuries; however, hard evidence regarding medieval consumption is limited. Many early sources, such as William of Malmesbury's description of drunkenness as a "universal practice" among the English, need to be treated with caution. A letter from St Boniface to Archbishop Cuthbert of Canterbury, which claims the "vice of drunkenness is far too common in your parishes" has been described by a recent historian as "at odds with the evidence".[57] Opportunities for heavy drinking among the peasantry would have been limited in medieval England since ale production was seasonal and domestic. The late-medieval tradition of church-ales did provide occasions for drunkenness; however, such events were sporadic. Wine-drinking was widespread among social elites, but accurate consumption figures are hard to ascertain. It is, therefore, impossible to say with certainty that medieval Britons drank more heavily than their continental neighbours.

16th Century

3.1 An Act empowering local Justices to close alehouses was passed in 1494. This was followed, in 1552, by legislation requiring alehouse-keepers to acquire a licence prior to trading. While presented as a measure to tackle social disorder, this was also a means of formally regulating an increasingly commercialised trade. A small number of writers identified public drunkenness as a specific social problem. Some claimed it was a remnant of pre-Reformation festive culture, others blamed the adoption of continental drinking habits.

17th Century

4.1 Six Acts were passed between 1604 and 1627, most of which sought to prevent alehouse-keepers from permitting drunkenness on their premises. Numerous broadsides against public drunkenness were also published. The number of alehouses did rise significantly in this period, but there is less concrete evidence for a rise in social disorder. Both legislation and anti-drink literature developed in the context of the rise of Puritanism and widespread fears regarding political instability. Anti-drink literature commonly identified the drinking of healths as the primary cause of public drunkenness. Wine was drunk in significant quantities within elite society. Conspicuous sobriety became unfashionable following the Restoration, largely due to its association with Puritanism. Convivial drunkenness became an important feature of Restoration culture, and the ability to drink was established as a marker of masculine virtue.

18th Century

5.1 The consumption of gin increased in the early 18th century. Annual per capita consumption rose from around 0.5 gallons in 1700 to around two gallons in 1740.[58] Various causes have been suggested. Gin retailers were not required to take out a licence until 1729, and the restrictions on production were lifted from 1690, partly to promote gin as an alternative to French brandy. Gin was taxed heavily, with excise almost doubling between 1690 and 1710, but this was not designed to reduce consumption—nor did it. In 1736, a coordinated political campaign, driven largely by concerns over consumption among women and the urban poor, led to legislation which introduced *de facto* prohibition through the imposition of £50 licence fees for gin-sellers. The experiment was a disaster, leading to widespread public disorder and a general contempt for the law. The Act was repealed in 1743.

5.2 Consumption declined after 1743, due partly to an inclusive licensing regime which encouraged responsible retail, combined with more effective excise controls. Concern over public drunkenness remained high, however, and a second campaign led to further legislation in 1751. 1751 Gin Act marked the end of widespread public concern over gin-drinking, though the continuing fall in consumption was driven primarily by bad harvests and lowering real incomes.

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[57] Y Hen (1995) *Culture and Religion in Merovingian Gaul, AD. 481–751* (Brill), 236.
[58] J Warner (2003) *Craze* (Profile), 3; 177.

5.3 Throughout the 18th century, the rise of coffee houses and the adoption of politeness by sections of the middle class popularised the notion that sobriety could be the guarantor of social progress. This challenged established practices linking conviviality with heavy drinking. Beer was promoted by many anti-gin campaigners as the patriotic (and sober) alternative to gin. Despite this, beer consumption fell significantly throughout the 18th century, largely due to the increasing popularity of tea, coffee and chocolate.

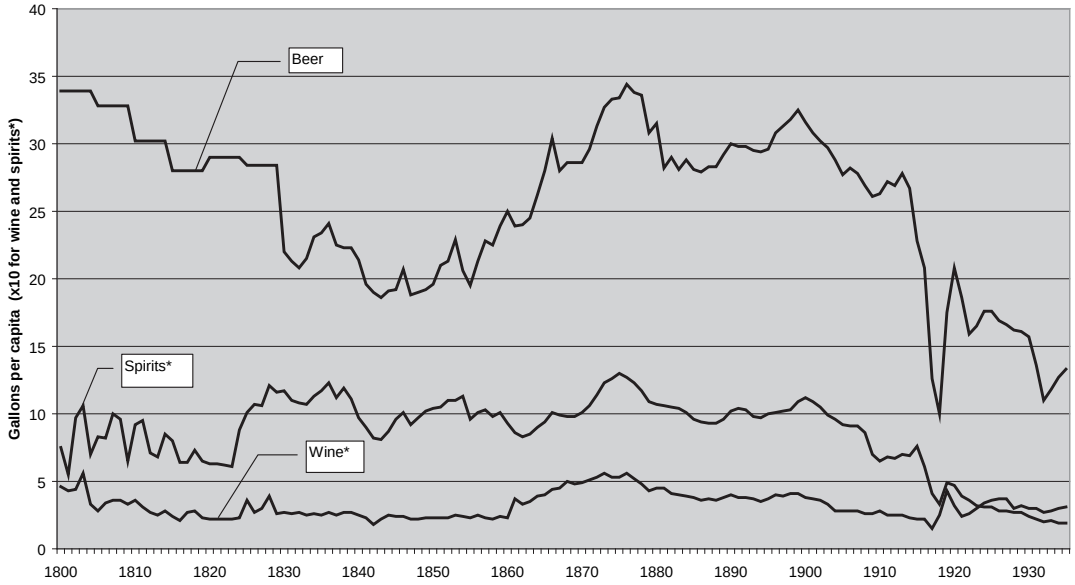
19th Century

6.1 In 1825, in an attempt to prevent smuggling, excise duties on spirits were slashed. Consumption rose sharply, then levelled. Despite declining beer consumption, concern over the regulation of alehouses persisted and many magistrates used their discretionary powers to reduce alehouse numbers in their jurisdictions. This led to claims of unaccountability which, coupled with calls to promote beer as an alternative to spirit-drinking and the development of laissez-faire economics, increased pressure for licensing liberalisation. In 1830 a Beer Act was passed which removed the requirement for retailers of beer only to acquire a licence, replacing it with a single excise fee. Within one year 24,000 beer shops had opened, rising to 40,000 within three years. Annual per capita consumption of beer, however, fell over the next three years before rising from 1834. Despite this, there was a significant outcry against the Act in sections of the press and Parliament with many claiming the Act encouraged widespread drunkenness. The Beer Act was amended in 1834, reintroducing a certificate of character for retailers and creating the first legislative distinction between on and off sales. The Beer Act was finally repealed in 1869.

6.2 Consumption of beer, wine and spirits increased steadily from 1840 to a peak in 1877, as did consumption of tea and soft drinks. Consumption of all drinks was generally lower during economic downturns, and higher during periods of prosperity. Increasing alcohol consumption encouraged the development of an energetic temperance movement, which incorporated a politically sophisticated prohibition campaign. The Liberal Party adopted prohibitionist policies in 1891—but suffered electoral damage after attempting to translate this into legislation. The temperance movement as a whole suffered from an unwillingness to acknowledge the rights of moderate drinkers, and it was publicly condemned on this point by, among others, Charles Dickens and John Stuart Mill.[59]

Table 1

Estimated per capita consumption 1800-1935



Consumption Declines 1900–60

7.1 Alcohol consumption began to fall from 1880. Many explanations have been forwarded for this, including the increased availability of alternative drinks and the development of alternative leisure activities including train excursions, spectator sports, parks, libraries and museums—many of which had been facilitated by legislation. Increased taxes were imposed under Lloyd George's "People's Budget" of 1909, but these were followed by a levelling of wine and spirit consumption and a small rise in beer-drinking.

7.2 The early twentieth century also saw renewed debates over the role of local magistrates in reducing the numbers of licences in their areas. Policies encouraging the closure of superfluous pubs were adopted by both the Liberal and Tory parties, but protracted, and politically consequential, arguments ensued over the

[59] Table 1: G Wilson (1940) *Alcohol and the Nation* (Nicholson and Watson)

issue of State compensation for the withdrawal of licences. This debate acquired political significance because it addressed a fundamental principle concerning the status of alcohol as a commodity: whether an alcohol retail licence was a gift from the State, or the administrative restriction of an otherwise natural right.

7.3 The outbreak of war in 1914 strengthened the arm of those who favoured more direct State intervention, and a Central Control Board was established in 1915 to manage the alcohol trade across most of the UK. Existing restrictions on opening hours and Sunday trading were tightened, excise duties on beer and spirits were increased significantly, and the strengths of both were reduced. The CCB also took direct control of the whole alcohol trade in Carlisle, Gretna and the Cromarty Firth. The CCB combined restrictive measures with constructive engagement with brewers, the improvement of pub environments, and the employment of salaried pub managers. Alcohol consumption fell dramatically over the course of the War, as did arrests for drunkenness. Again, there are competing explanations for this. The CCB restricted access to alcohol, but also pro-actively encouraged responsible pub management. Lloyd George sought to position alcohol as a direct threat to the war effort and strongly backed tax rises. Wartime austerity may have been a factor, but so too was the enormous death toll among young men in battle.

7.4 Consumption rose briefly to 1920, but then declined again—remaining low over the next four decades. There was also evidence of young people seeking alternatives to the pub. In 1931, a Royal Commission on Licensing wrote that "drunkenness has gone out of fashion". Two years later the Brewers Society launched a nationwide advertising campaign to "get the beer-drinking habit instilled into … millions of young men who do not at present know the taste of beer". In 1943, Mass-Observation noted that young people represented the lowest proportion of pub-goers, preferring to frequent milk bars and coffee shops (Mass-Observation also recorded that women made up 31% of pub goers in Bolton).[60] Throughout the 1930s, a significant number of brewers responded to falling sales by adopting "pub improvement" as a means of attracting a more affluent clientele, including more women. Despite heavy investment, and some success in dissociating pubs from fears over drunkenness, pub improvement failed to bolster the falling market and was largely abandoned.

7.5 The decline in wine and spirits consumption continued throughout Word War II, although beer consumption increased. Around 30 million barrels of beer were produced in 1943 compared to 18 million in 1933 despite increases in taxation which led to beer being both more expensive and weaker.[61] This may have been due partly to the cultural lead given by Government: whereas Lloyd George had identified drinking as a wartime enemy, Churchill's government was keen to position convivial beer drinking as a wholesome, and morale-boosting, aspect of British culture.

Consumption Increases from 1960

8.1 By the 1950s, overall consumption remained comparatively low. The number of alternative leisure activities was proliferating, and wartime taxation meant that beer struggled to compete with non-intoxicating alternatives in terms of both quality and price. The industry responded with a combination of aggressive consolidation and the introduction of new drinks, particularly lager, targeted at the youth market and women drinkers. Over the following decade, the resurgence of the drink trade was aided by the expansion of the youth market, increased levels of affluence, and Licensing Acts in 1961 and 1964 which were explicitly geared towards the licensing liberalisation. While the 1961 Act retained the "afternoon gap" for pubs, it allowed weekday off-sales of alcohol from 8.30 am to 10.30 pm. This made it easier for the new supermarkets to compete in the drinks retail business, as well as further blurring the distinction between alcohol and other consumable commodities. Sales of all alcohol increased markedly between 1961 and 1980: annual beer production increased by 54%; spirits consumption increased by 208%; and wine consumption rose by 346%. However, by 1980 overall per capita consumption in the UK still remained lower than in eleven of the countries that now make up the EU.[62]

8.2 Patterns of consumption changed in this period, with the number of pubs falling slightly, while off-licences increased by 60%.[63] In the early 1980s overall consumption levelled, but increased from 1987 to 1990. It then levelled again before rising significantly between 1997 and 2004. While these fluctuations mirror periods of economic recession and growth, relative price is also a factor. Although alcohol prices increased, relative to inflation, by 19.2% between 1980 and 2007, it has also been estimated that alcohol became 69.4% more affordable, relative to household incomes, over the same period.[64] Proportionately, beer sales fell, spirits remained level while wine and ready-to-drink mixers increased considerably. Between 1980 and 2004 beer consumption fell by 25% while wine consumption increased by 93%.[65]

[60] Mass-Observation (1943) *The Pub and the People* (Victor Gollancz), 187.
[61] A. Tighe, ed. (2007) *Statistical Handbook* (BBPA).
[62] *Ibid.*
[63] *Ibid.*
[64] ONS (2008) *Statistics on Alcohol, England.*
[65] Op Cit 4.

Trade Liberalisation from 1990

9.1 In the late 1980s, free-market approaches once again targeted the monopolistic power of the brewing industry, which had further concentrated since the 1960s. As in 1830, the vertical integration of the trade via the "tied house" system was identified as disadvantaging consumers and skewing the market. In 1990, following a Monopolies and Mergers Commission report, the "Beer Orders" were passed. These forced brewers owning more than 2,000 pubs to sell half their remaining stock, in principle allowing for the development of a healthy independent market. In reality, much of the stock was bought by retail oriented investment groups (colloquially known as "pubcos") who exploited the fact that exclusive supply agreements with brewers were allowed in the final version of the Beer Orders. Many brewers sold their production arms to global producers such as InBev and Coors.

9.2 The Beer Orders have been blamed for initiating the rise of high-street superbars, but there were other contributory factors. These included the desire on the part of many local authorities to use the leisure economy as an engine of urban regeneration. In addition to supporting licence applications from well-financed pub chains, many city authorities used provisions under the 1964 Act to facilitate *de facto* licensing liberalisation in city centres. By 2003, 61% of city centre bars were trading beyond 11 pm.[66] From 1996, licensing magistrates who wished to restrict the number of pubs in their jurisdiction were stymied by a central Government directive stating that magistrates should take no systematic account of "need" when adjudicating licence applications. It has also been suggested that the drinks trade responded to the expansion of youth drug cultures by promoting new drinks (such as alcopops and ready-to-drink mixers) using imagery culled from the rave scene.

2003 Licensing Act

10.1 In this context, the 2003 Licensing Act was less of a radical departure than may at first be supposed. While the introduction of 24-hour licensing was explicitly presented as a harm-reduction measure (based on studies suggesting that the "11 o'clock swill" exacerbated antisocial behaviour), in many city centres, it formalised what was already in place. While consumption increased significantly throughout from the mid-1990s to 2004, it stabilised from 2004 (General Household Survey figures agree with this, but the updated method for calculating units per drink produced a marked increase in estimated levels from 2006). Arguably, the more historically significant element of the 2003 Act was the decision to move licensing from magistrates—where it had sat since 1552—to local authorities. In principle, this represented a democratisation of decision-making; in practice, the national guidelines issued to local authorities meant that their discretionary power to reject licence applications was severely curtailed. Furthermore, the thrust of the 2003 Act was geared towards the on-trade whereas the principle expansion of consumption was driven by the off-trade. As a proportion of total expenditure on alcohol, purchases from pubs fell 12% between 1998 and 2007, while supermarket purchases rose 18%.[67] This suggests that increased consumption may be driven by an off-trade which, until recently, escaped large scale public attention.

Policy Implications

1. *Licensing*

11.1 When licensing controls have been eased consumption and/or alcohol-related harms have tended to increase. Licensing regulations have historically fallen more heavily on the on-trade than the off-trade.

— Discretionary powers for licensing authorities should be robust but transparent.

— Incentives for well-managed premises could be considered.

— Off-sales can contribute at least as significantly to alcohol-related harms as on-sales.

2. *Tradition*

12.1 Patterns of consumption have fluctuated in response to economic, legislative and social factors. Claims that the British have an inherent tendency to drink heavily are problematic and risk reinforcing social norms and expectations which can encourage heavy drinking. However, there is a long history of positive value being attached to convivial drinking; consequently, interventions which are perceived as failing to distinguish between moderate and problematic drinkers have tended to be unpopular and, occasionally, counter-productive.

— Caution should be exercised when making claims about British traditions of excessive drinking

— Economics and legislation can have some influence on cultural practice

— A public debate should be sought on definitions of "moderate" and "excessive" drinking as regards both health risks and acceptable social behaviours.

[66] P. Hadfield (2006) *Bar Wars* (OUP), 52.
[67] ONS (2007) *Drinking: Adults Behaviour and Knowledge in 2007.*

3. *Pricing*

13.1 Alcohol-related problems at a societal level have often arisen from structural changes to specific areas of the alcohol market (gin, the retail on-trade in beer, off-licences, alcopops and so forth). Region, income, gender, the location of licensed premises, on—and off-sales, and beverage choice are all key policy variables. Where drinks have become more affordable their consumption has tended to increase, with macro-economic factors having a significant impact. Tax reductions, which have translated into cheaper retail prices, have produced spikes in consumption (eg 1825); however, tax increases have not always directly resulted in reduced consumption—though this may be due to their impact relative to wider levels of disposable income. There has, historically, been considerable tension between the on and off trades, with each promoting legislation which backs their sectional interests.

— The off-trade may benefit from strategies which disproportionately affect pubs and clubs, thus restricting their impact.

— Targeted approaches (such as minimum unit pricing or differential taxation according to beverage/strength) may be effective in addressing specific problem areas.

Dr James Nicholls
Bath Spa University

April 2009

Memorandum by The Royal College of Surgeons of England (AL 60)

1. The Royal College of Surgeons welcomes the opportunity to contribute to the Health Select Committee's inquiry into alcohol. We welcome the general approach to reduce overall alcohol consumption and alcohol related-harm by focusing on measures to promote responsible drinking and curb excessive alcohol consumption. Surgeons see some of the most immediate and serious effects of excessive alcohol consumption through emergency trauma injury admissions resulting from violence, falls and road accidents.

2. The College believes that patient contacts with hospital services provide a unique opportunity to deliver treatment for alcohol misuse. The effects of excessive alcohol consumption are routinely seen by those involved in delivering trauma services. Many trauma patients are in the 16–25 age group and are usually not yet addicted to (dependent on) alcohol. Therefore, at this early stage, treatment of their alcohol misuse can prevent this misuse developing into a much harder to treat alcohol problem. Since this group often have few other contacts with the health service, contacts with hospital services, and in particular the trauma services, need to be capitalised on.

3. The Royal College of Surgeons believes that such treatment can, in many cases, be delivered by members of the extended surgical team, usually during follow-up clinics where, for example, stitches are removed. This is known to be a cost-effective means of reducing excessive alcohol consumption and further injury.[68]

4. The delivery of a hospital Trust alcohol strategy should be a board level responsibility to ensure universal access to high quality alcohol misuse treatment across all medical specialities. Clinical Directors of surgical services have a key role in the local implementation of programmes across surgery.

April 2009

Memorandum by Southampton City Council and Southampton Primary Care Trust (AL 61)

THE CHALLENGES OF COMMISSIONING ALCOHOL SERVICES

This briefing paper has been prepared using extracts and experience of developing a commissioning strategy for Southampton which sought to address the harm caused by alcohol to individuals and the community.

CONTEXT

For many people alcohol features as an element of our everyday lives; a common part of many social rituals that can add pleasure and enhance a relaxed social event. When consumed safely and sensibly, alcohol is a commodity many of us will choose to enjoy. However, for a significant and growing number of people alcohol consumption is a major cause of ill health. More than 10 million people (31% of men and 20% of women) are now regularly drinking above the guidelines set by government, and many of these are likely to suffer ill health or injury as a result.

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[68] Smith, A.J., Hodgson, R.J., Bridgeman, K., Shepherd, J.P. (2003). A randomized controlled trial of a brief intervention after alcohol-related facial injury. Addiction: 98(1) p 43–52.

In August 2008 Southampton PCT and Southampton City Council commissioned Vanilla Freelance Ltd. to review alcohol services in Southampton and develop a business case for change. The previous five years had seen significant local activity in response to the launch of the government's "Alcohol Harm Reduction Strategy for England" in 2004, and a number of key lessons were learned during this process. However, due to the lack of resources, alcohol services remained relatively unchanged. Vanilla was tasked with designing and delivering a six month consultancy project, Target Alcohol, that would assess the effectiveness of current service delivery models, research best practice and design a new alcohol pathway. The new pathway would be designed to reduce the harmful effects of alcohol consumption in the local population through cost effective investment in evidence-based services.

National Drivers

There were a number of significant national drivers for the Target Alcohol project. By 2007 the extent of alcohol misuse in England was worsening; alcohol consumption had increased by 60% since 1970 and the rise in consumption was connected to the subsequent rise in alcohol related hospital admissions. In 2006–07 there were 811,000 alcohol-related hospital admissions, comprising 6% of all hospital admissions. Alcohol misuse was calculated as costing the NHS in England £2.7 billion per year, in terms of inpatient stays, A&E visits, ambulance journeys and more (source: Safe, Sensible, Social). In 2007 and 2008 the Government responded with "Safe Sensible Social: The Next Steps in the Alcohol Harm Reduction Strategy" and "Safe Sensible Social: Further Consultation". The strategic direction now emphasised the health impact of alcohol misuse by relating high risk drinking behaviour to conditions such as hypertension, breast cancer, liver cirrhosis, heart disease and stroke. Young people (11–15 yr olds), binge drinkers (18–24 yr olds) and adults drinking more than14/21 units per week (female/male) were identified as three at risk groups who should be targeted through local interventions and health promotion activities.

The National Treatment Agency on behalf of the Department of Health had reviewed the evidence base for effective treatment of alcohol and concluded that "evidence-based alcohol treatment in the UK could result in net savings of £5 for every £1 spent for the public sector" (source: Review of the Effectiveness of Treatment for Alcohol Problems).

Southampton Response

By 2008 the national strategic drivers for local action were established and Southampton PCT and Southampton City Council responded by setting a Local Area Agreement (LAA) target for the reduction of alcohol related hospital admissions. Targets were set to achieve a reduction in the rate of increase over the following three year period.

Driven by the LAA target, the Target Alcohol Project was delivered between August 2008 and January 2009 and involved desktop review, stakeholder consultation, data capture in relation to baseline service activity, market research, strategy research and demand flow/investment modelling.

Research Results

The baseline assessment confirmed findings from previous analysis; alcohol services lack coordination resulting in duplication between tiers, delays in terms of accessing services, unclear service thresholds and access routes.

According to the 2006 General Household Survey, Southampton has a population of approximately 250,000 people, of which 20.25% are drinking at hazardous levels (more than 14/21 units per week female/male respectively) and 5.97% are drinking at harmful levels (more than 35/50 units per week female/male respectively). According to the North West Public Health Observatory, Southampton is significantly worse than the England average for: binge drinking, alcohol-specific mortality, alcohol-specific hospital admissions for under 18s and males, alcohol related recorded crime and alcohol related sexual offences.

In comparison to the size of the problem, local data from service providers indicates that only 17,095 people are in contact with alcohol services in Southampton, and only approximately 3,296 are using alcohol services that are directly commissioned and planned by the PCT.

Planned and unplanned investment in alcohol services in Southampton amounts to £4.1 million in the period 2007–08, the vast majority of which (approximately £3.2 million) is unplanned investment and is connected to hospital based activity. Planned investment in alcohol services equates to approximately £949 thousand for the same period.

Commissioning Recommendations

As a result of reviewing strategy, research and international best practice we now know that there is strong evidence to support a business case for change. We are proposing a new approach that is based on principles of stepped care, patient choice, family involvement and outcome driven service delivery. A new alcohol reduction pathway aims to deliver a series of evidence-based interventions across a five tier model with the aim of reducing hospital related admissions in the short and long term.

Recommendations include:

— Shifting investment capital from high-end treatment to prevention and early intervention.

— Broadening the base of treatment by engaging with targeted population groups early and effectively.

— Targeting eight primary contact points within the new pathway, reflecting an understanding that alcohol effects all parts of our society and many people who need help are either unaware of the problem or find it difficult to access services.

— Targeting people in key disease groups (such as Cardio—Vascular) to maximise savings across the health economy.

— Tier 1 services (screening and brief intervention) to be delivered to people in schools, in GP practices, at work, in hospital, within criminal justice services as well as within an open access community based alcohol service.

— Prioritising investment in public health information campaigns.

— People needing help to be able to access a range of services across tiers 2–4, supported throughout their journey by effective case management, outcome monitoring and peer support.

The model has been costed using a number of assumptions for service capacity, target population growth, relapse and attrition rates which will require further testing during the implementation phase; we have recommended investment in a research project for the first three years of implementation.

The model allows for investment choices to be made within each tier or by prioritising investment through a primary contact point such as accident and emergency or primary care. 20 year projections identify the potential to achieve a net saving over a period of time, when total investment will be less than savings made within hospital-based health care. However, this is likely to take a number of years to be fully achieved.

We have tested the model with the general public and targeted population groups including people using alcohol services and we believe it reflects their views and experiences. In particular, the model addresses the need to create "wrap-around services" that support an individual's social, health and emotional recovery from alcohol by investing in aftercare and peer support.

Commissioning Challenges

Evidence supporting early intervention and prevention approaches is broadly accepted in commissioning arenas, as is the evidence that £1 spent could result in net savings of £5. However, there are a number of challenges in implementing the strategy developed in Southampton:

— There are high levels of investment committed to treating people with long-term alcohol problems or long-term conditions caused or exacerbated by alcohol use. This investment cannot be withdrawn easily as these groups will continue to need treatment.

— Prevention and early intervention aims to target people not currently accessing services. Although this is likely to bring longer term savings there is, in the short term, an increase in service and costs

— The evidence base for some interventions is not well developed making decisions, such as moving investment from specialist care services to prevention, controversial and less likely to attract public support.

— The outcomes to be obtained from prevention and early intervention may not be apparent for several years whilst planning cycles are more often three to five years with expected results

— While it is accepted that investment in alcohol services is likely to be self-financing in the long term, transition funding is required in the short term. This is difficult to identify in the volume and timescale require to achieve change and re-investment opportunities

— The results of alcohol misuse is apparent in a number of serious health conditions, in crime and community safety areas, social care indicators such as parenting and poverty and economic factors such work absence. This requires commissioning to cross a number of sectors and requires a high level of co-operation from many partners.

Carole Binns
Commissioning Service Manager
Southampton City Council/Southampton PCT

May 2009

Memorandum by Dr Petra Meier (AL 62)

KEY RESULTS FROM THE UNIVERSITY OF SHEFFIELD INDEPENDENT REVIEW OF THE EFFECTS OF ALCOHOL PRICING AND PROMOTION: PART B: MODELLING

1. In 2007, the University of Sheffield was commissioned by the Department of Health Policy Research Programme to carry out an Independent Review of the Effects of Alcohol Pricing and Promotion. The project had two phases. In a first phase, we conducted three systematic reviews of the national and international research evidence on pricing effects on consumption or harm, advertising and promotion effects on consumption or harm, and the link between consumption and alcohol-related harm).The second phase involved modelling of the effects of over 40 policy scenarios, including options on general pricing, minimum pricing and discount restrictions. The results presented relate to Phase 2 of the project.

2. The team consisted of Dr Petra Meier (Principal Investigator), Andrew Booth, Ruth Wong, Anna Wilkinson, Anthea Sutton, Dr Daragh O'Reilly (systematic reviews), Prof Alan Brennan, Dr Robin Purshouse, Rachid Rafia and Prof Karl Taylor (modelling)—all at the University of Sheffield, and Prof Tim Stockwell (external expert consultant).

3. Policy Effects on Alcohol Consumption

3.1 *General price increases*

3.1.1. General price increases (all products in the on-trade and off-trade) tend to lead to relatively larger reductions in mean consumption for the population compared to targeted pricing options.

3.1.2. Policies targeting price changes specifically on low-priced products or certain product categories lead to smaller changes in consumption, as they only cover a part of the market. For example, in 2005–6, 59% of off-trade and 14% of on-trade alcohol was purchased for less than 40p per unit.

3.2 *Minimum pricing options*

3.2.1. Increasing levels of minimum pricing show very steep increases in effectiveness. Overall changes in consumption for 20p, 30p, 40p, 50p, 60p, 70p are: –0.1%, –0.6%, –2.6%, –6.9%, –12.8% and –18.6%.

3.2.2. Minimum prices targeted at particular beverages are less effective than all-product minimum prices.

3.2.3. Differential minimum pricing for on-trade and off-trade would lead to more substantial reductions in consumption. This is firstly because much of the consumption by younger and hazardous drinking groups occurs in the on-trade. It is also because increasing prices of cheaper alcohol in the on-trade dampens down the effect of people switching consumption between off-trade and on-trade sectors.

3.3 *Restrictions on off-trade price promotions*

3.3.1. Just over 50% of all alcohol purchased from supermarkets is sold on promotion, but many of the discounts are quite small.

3.3.2. Only tight restrictions on the level of discount that can be offered in the off-trade would have noticeable policy impacts. For example, a ban of discounts of greater than 20% (which would prohibit buy-one-get-one-free, buy-two-get-one-free and buy-three-get-one-free) leads to overall harm reductions similar to a 30p minimum price. A total ban on off-trade discounting is estimated to reduce consumption by 2.8%, similar to a 40p minimum price, although this may only prove effective if retailers are also prevented from responding by simply lowering their non-promotional prices.

4. Policy Effects on Consumer Spending

4.1. Changes in spending per drinker are proportionate to the price increase associated with each policy.

4.2. As might be expected, those who buy the most alcohol are affected the most. Harmful drinkers spend on average £2,200 per year on some 3600 units, hazardous drinkers spend £980 on 1,400 units and moderate drinkers £257 on 240 units.

4.3. Purchasing data shows that heavier drinkers buy more of the cheaper beers, wines and spirits. For example, our EFS analysis suggests that in 05–06 male harmful drinkers spent on average 41p per unit in the off-trade whereas moderate drinkers spent on average 45p per unit. For the on-trade, the corresponding figures are 98p for harmful drinkers and £1.16 for moderate drinkers. Additional consumer spending associated with different levels of minimum prices are for 30p, 40p, 50p, 60p and 70p.

4.4. Changes in spending are expected to be greatest for harmful drinkers, with hazardous drinkers somewhat affected and moderate drinkers affected very little.

Table 1

INCREASES IN SPENDING PER PERSON PER YEAR FOR DIFFERENT MINIMUM PRICING LEVELS

	30p	*40p*	*50p*	*60p*	*70p*
Moderate drinkers	£2	£6	£12	£18	£23
Hazardous drinkers	£14	£39	£68	£88	£98
Harmful drinkers	£43	£106	£163	£187	£203

5. Policy Effects on Sales, Duty and VAT

5.1. The effects on industry of higher prices or minimum prices are that sales volumes fall but sales values increase due to the higher unit price. There are therefore only very small effects on government revenue, as duty receipts fall but VAT receipts rise.

6. Policy Effects on Health Harms and NHS Costs

6.1. As prices increase, alcohol-attributable hospital admissions and deaths are estimated to reduce.

6.2. Deaths prevented occur disproportionately in harmful drinkers. On balance, the health harm reductions mostly relate to chronic diseases rather than acute conditions such as injuries. This is because much of the alcohol-attributable health harm occurs in middle or older age groups at significant risk of developing or dying from chronic disease. Policies resulting in bigger price increases reduce numbers of deaths in moderate and hazardous drinkers as well.

6.3. Policy options leading to greater price rises have larger effects, eg a 40p minimum price gives an estimated reduction of around 41,000 admissions per annum, a 50p minimum price a reduction of 98,000 and a 60p minimum price a reduction of 169,000 admissions.

6.4. The financial value of avoided mortality and morbidity is valued using direct (NHS) costs avoided and also using the quality-adjusted life years (QALY) measure. For both, higher prices lead to increased savings. The ten-year direct health costs savings from a 40p minimum price are estimated at £546 million, that of a 50p minimum price £1.3 billion and that of a 60p minimum price £2.4 billion, as well as corresponding QALY gains valued at £1.9 billion, £4.9 billion and £8.8 billion.

7. Policy Effects on Crime Harms

7.1 Crime harms are estimated to reduce as prices are increased.

7.2. Crime reductions for policies take place across the spectrum of violent crime, criminal damage and theft, robbery and other crimes. A 40p minimum price is estimated to reduce crimes by 16,000, a 50p minimum price by 45,800 and a 60p minimum price by 88,400 per annum, of which a quarter is made up of violent crimes.

7.3. Crime harms are estimated to reduce particularly for 11–18 year-olds as they are disproportionately involved in alcohol-related crime and are affected significantly by targeting price rises at low-priced products.

7.4. It is important to note that different policies emerge as effective when compared to health harms: discount bans, targeting cheap off-trade alcohol and low minimum pricing options, which effectively influence only the off-trade sector, are all less effective in reducing crime when compared to policies that also affect the on-trade sector. This is because alcohol related crime is strongly associated with age (approximately 70% of alcohol-attributable crime is committed by those aged under 25) and young hazardous drinkers predominantly drink in the on-trade sector. However, note that we have not been able to consider the effect of pre-drinking at home in our model (drinking at home before a night out), due to insufficient data. If pre-drinking plays a substantial role, then our results may underestimate the effects of minimum pricing on crime.

7.5. Crime costs are also estimated to reduce as prices increase. A 40p, 50p and 60p minimum price is estimated to lead to direct cost savings of around £140 million, £413 million and £810 million over a 10-year period, whereas the value of gains in quality of life associated with decreased crime over the same 10-year period is estimated at £196 million, £616 million and £1.2 billion. A ban on price promotions in the off-trade decreases crime costs in a similar way to a 40p minimum price (using the Home Office £80,000 valuation of a crime-related QALY).

8. Policy Effects on Employment Harms

8.1 Generally, all policy options that target harmful and hazardous drinkers are effective in reducing alcohol-related harm in the workplace.

8.2. The size of the effect is dependent on the extent of price increases. Unemployment due to alcohol problems is focussed on harmful drinkers and is estimated to reduce as prices increase: eg 3,800 avoided unemployment cases per annum for a 30p minimum price versus 12,400 for a 40p minimum price at full effect.

8.3. Absence reductions are particularly focussed on hazardous and harmful drinkers: eg for a 40p minimum price, the 100,000 estimated reduction in days absence per annum includes 35,000 days for hazardous and 55,000 days for harmful drinkers.

9. Financial valuation of policies

9.1. The majority of the policies appraised have estimated reductions in harm valued over £500 million and some are valued higher than £5 billion over a ten-year period.

9.2. Generally, the financial value of harm reductions becomes larger as prices are increased.

10. Effects on Moderate, Hazardous and Harmful Drinkers and Young People

10.1. *Consumption*

10.1.1. Moderate drinkers are affected in only very small ways by the policy options examined both in terms of their consumption of alcohol and their spending.

10.1.2. Harmful drinkers are expected to reduce their absolute consumption most in absolute terms, but in the more effective policy options they also spend significantly more on their purchases.

10.1.3. Policies which target low-priced alcohol affect harmful drinkers disproportionately (as well as 11–18 year olds). This is because harmful drinkers tend to drink a greater proportion of the low price products available (64% of alcohol sold at <30p per unit is bought by harmful drinkers, who make up around 10% of the population).

10.2. Health. Effects are shared across the priority groups. There are significant effects on harmful drinkers, but important health gains also occur in hazardous and moderate drinkers. Even though moderate drinkers are, individually, at lower risk of health-related harms, they comprise a large element of the population and so the small changes in their consumption feed through to small changes in risk but a considerable cumulative change in population health. Across the policies, deaths are avoided disproportionately in the harmful drinking group. This is especially the case for policies which specifically target very low priced alcohol purchased disproportionately by harmful drinkers. 11-to-18-year-old drinkers, and the 18-to-24-year-old hazardous drinkers group, benefit less from health harm reductions because their baseline levels of risk for many alcohol-attributable diseases are very low at such young ages.

10.3. Crime. Patterns of crime reduction estimated by the model are very different across the priority groups from those for health. A much larger proportion of the crime-related harm occurs from the 11–18s and the 18-to-24-year-old hazardous drinkers. When estimating policy impacts, crime avoided is due more to consumption reductions in the harmful and hazardous drinking groups than the moderate group.

May 2009

Supplementary memorandum by Dr Petra Meier (AL 62A)

You have asked me for some observations to explain how it can be that both industry and health professionals cite the ScHARR report as supporting their case, and I will try to do so below.

1. The focus of our attention on both adults and youngsters, rather than just young people. This is in recognition that advertising may play a larger role in influencing the *continuation of drinking behaviours* in existing consumers than in the *inception* of new drinker groups. From a population harm perspective, this distinction is crucially important. However the evidence base on advertising effects on adults is both smaller and weaker than for underage drinkers. No longitudinal cohort studies covering the older age groups have been identified. What there is tends to be econometric studies linking changes in advertising expenditure to changes in population level consumption, finding only tiny effects. However, advertising expenditure is fairly stable at a high level in most developed countries so there is limited variability, and studies also do not differentiate types of advertising or target audiences.

In terms of interventions, codes and bans are typically designed to protect young people and any effects of bans on adults remain largely unknown. In practice, only France has introduced a comprehensive ban but no convincing evaluation was carried out.

Finally, we were tasked with finding evidence on the differential effects of advertising restrictions on moderate, hazardous and harmful drinkers, as our review is public health focused and thus recognises that alcohol causes harm not only or even primarily to those who are dependent or drink very heavily. However, again the advertising literature does not give us information on whether heavy drinkers are more affected by advertising than moderate drinkers, although general advertising theory would suggest this to be likely.

I think this explains why our evidence statements are overall more cautious than that of authors who focused on under-18s only.

We have tried to make this clear in the full report, but realise that these points were all but lost in the executive summary. Thus, evidence statement 6 should be seen in this context (Evidence statement 6: There is an ongoing methodological debate on how advertising effects can and should be investigated and further research and methodological developments for establishing a definite causal relationship is required.)

2. We investigated the link between advertising and consumption only. We did not cover the many studies on the degree of advertising young people or adults are exposed to, which show convincingly that a programme does not have to be targeted at young people to attract very significant numbers of young viewers (eg soap operas, sport, talent shows etc). We also did not cover the large body of literature showing that advertising codes do not cover content features that are particular appealing to young people (especially humour, music, animals etc).

3. There is more evidence on the link between alcohol advertising and consumption than there is on the effectiveness of codes or bans. However, few countries have changed their policies in recent times thus there were limited opportunities for evaluations. Also, countries where research exists have different drinking contexts (drinking preferences, existing regulatory framework) to that of the UK, so we found relatively few relevant evaluations. It is however not the case, as some witnesses implied, that we found that codes or bans have been shown to be ineffective.

We do point to the need for further research. However, this is only possible if there is an actual policy change that can be evaluated. Therefore, witnesses' suggestions that policy changes should wait until further research becomes available are not helpful. Instead, where policy changes are planned, it would be important that policy makers engage with scientists so that appropriate evaluations can be put in place.

4. Some witnesses referred to us saying that advertising may actually increase consumption, without further qualifying this. The context for this observation is that one article by Nelson et al speculated that, in the absence of price controls, restrictions on advertising *could* lead to price wars. Since the effect for price appears stronger than for advertising, this could have detrimental effects. No evidence is available and this is only mentioned in order to point to the need for integrated policy decision making.

5. In terms of new media, I'd like to refer to the following section in our full systematic review report:

> "There is a large evidence base […] around established channels such as the mass media but a shortage of studies evaluating newer media such as the internet and mobile phones. Generally, the vast array of channels and of types of promotional activity (Jernigan and O'Hara 2004) make it difficult to isolate individual effects, and thus target individual strategies, even though they consistently demonstrate an aggregative effect. Policy options should therefore recognise where a common underpinning mechanism exists and apply general principles to target such a mechanism in anticipation of new channels rather than continually attempt to respond to specific evidence on every new medium." (p.80)

6. For completeness, we wish to point to several evidence statements that some witnesses appear to have missed:

> Evidence statement 5: There is conclusive evidence of a small but consistent association of advertising with consumption at a population level. There is also evidence of small but consistent effects of advertising on consumption of alcohol by young people at an individual level.
>
> Evidence statement 8: There is consistent evidence to suggest that exposure to outdoor advertising, or advertisements in magazines and newspapers may increase the likelihood of young people starting to drink, the amount they drink, and the amount they drink on any one occasion. Further research is required on whether what young people say they are going to do at a particular point in time translates into actual subsequent behaviour.
>
> Evidence statement 10: There is consistent evidence from longitudinal studies that exposure to TV and other broadcast media is associated with inception of and levels of drinking. Evidence for the effect of watching videos is equivocal.
>
> Evidence statement 11: There is some inconclusive evidence that suggests that advertising bans have a positive effect in reducing consumption. Differences in contextual factors are a likely explanation for these differences. It is methodologically challenging to control for all possible confounding factors.
>
> Evidence statement 12: There is some evidence to suggest that bans have an additive effect when accompanied by other measures within a general environment of restrictive measures.

7. Dr Taylor and Ms Atkins asked witnesses repeatedly for information on how overall consumption/ sales would be affected if everyone drank within the moderate drinking guidelines but did not get a response (Q564, Q785, Q803). Whilst you did not specifically ask me to comment on this, I have recently done a calculation using General Household Survey data, so I thought I will let you have the figures in case they are still of interest:

We used the weekly guidelines of not exceeding 21 units for men and 14 units for women. We assumed that everyone who currently drinks more than 21/14 units would shift to become only just compliant with the limits, so now drinks exactly 21/14 units.

According to the GHS, 42,693,731 adults (>16) currently consume 577,667,488 units per week (an average of 13.5 per person—note: includes abstainers). After the cap, this would fall to 347,462,198 units (8.5 per person). *Thus, if everyone who currently drinks over the limit became just compliant with moderate drinking guidelines, the total alcohol consumption would drop by 40%.* This is explained by the distribution of consumption in the population, see below a Table from a forthcoming article based on our work, due to be published in the journal Addiction.

Table 1

PROPORTION OF ALCOHOL CONSUMED BY PERCENTILES OF THE POPULATION AND ITS VARIATION ACROSS AGE/SEX GROUPS

Consumption decile	*Total population*	*Men*	*Women*	*Young men*	*Young women*
10th decile (10% heaviest drinkers)	44.9%	52.0%	32.4%	59.0%	37.3%
9th decile	20.7%	20.7%	20.7%	17.5%	20.3%
8th decile	13.3%	12.2%	15.2%	10.3%	15.4%
7th decile	9.8%	7.8%	13.3%	6.2%	10.2%
6th decile	5.9%	3.8%	9.4%	3.7%	8.5%
5th decile	3.4%	2.2%	5.4%	2.1%	5.4%
4th decile	1.6%	1.0%	2.7%	0.9%	2.2%
3rd decile	0.4%	0.2%	0.8%	0.2%	0.7%
2nd decile	0.0%	0.0%	0.1%	0.0%	0.1%
1st decile (10% lightest drinkers)	0.0%	0.0%	0.0%	0.0%	0.0%

August 2009

Memorandum by Tesco (AL 63)

1. Summary

1.1. We welcome the opportunity to give evidence to the Committee's inquiry into Alcohol.

1.2. We are a responsible retailer of alcohol serving millions of customers every week who enjoy consuming alcohol responsibly.

1.3. However we recognise that excessive alcohol consumption can be the cause of long-term health risks, as well as being linked with anti-social behaviour and disorder, and it is particularly worrying to note that alcohol-related hospital admissions are rising. So, while the overwhelming majority of people who buy alcohol from our stores drink responsibly, we accept that for a small minority this may not be the case, and that alcohol misuse is a social problem.

1.4. This paper therefore sets out the various ways in which we are seeking to play our part in addressing this problem, including by ensuring we sell alcohol responsibly, provide customers with the information they need to make healthy and responsible choices, and work with others at a national and local level.

2. Our Customers

2.2. Our customer research and Clubcard data shows that a large majority of shoppers who buy alcohol from us do so as part of their weekly shop. In the vast majority of cases alcohol is purchased as part of a mixed basket. The most popular time for alcohol which is bought from a supermarket to be consumed is with a meal in the evening.

2.3. The role of alcohol promotions is often under scrutiny. Our customer research shows that, after buying alcohol on promotion, shoppers generally do not buy the same type of alcohol again for a number of weeks. This suggests customers use promotions to stock up, not to consume more.

2.4. We have used Clubcard data to analyse the impact of two beer promotions on consumption (2 x 20 bottle/can cases for £16 and 3 x 20 bottle/can cases for £20) across a sample of 1.2 million transactions. The analysis showed a number of important patterns of purchasing:

— The promotions were generally bought as part of a larger family grocery shop (over 15 items).

— The promotions did not disproportionately appeal to young adults. Rather, they were most popular with families who tended to drive to larger supermarkets.

— Customers' spend fell below the control levels at the end of the promotion, suggesting (as above) that they were using the promotion to "stock up", rather than to increase their consumption.

2.5. Notwithstanding this evidence, we recognise that alcohol misuse is a serious social problem which as a responsible retailer we have a role to play in tackling.

3. Selling Responsibly

3.1. We take very seriously our duty not to sell alcohol to those under 18. To support this we are currently rolling out a Think 25 policy across our stores. This means cashiers must ask for ID from anyone who appears younger than 25 before serving them alcohol. A prompt appears on the till screen when an alcoholic item is scanned to remind cashiers to check the customer's age.

3.2. Our cashiers receive training on the sale of alcohol and other age-restricted products four times a year, supported by a bespoke DVD. We were the first off-trade retailer to be recognised under the new BIIAB Good Practice Recognition Scheme for our staff training, which we regularly share with small independent retailers to support the training of their staff. We reinforce these messages about the responsible sale of alcohol through our internal communication channels, such as our staff newspaper.

3.3. Using an external agency, we will be testing compliance with our new Think 25 policy through the use of mystery shoppers, as we did compliance with the Think 21 policy it replaces. Last year we increased the frequency of these tests to all Express stores four times per year and twice a year for all other formats.

3.4. In addition to our in-store processes, we have a strict policy in place to control sales of alcohol, and other age-restricted products, over the internet.

4. Price, Promotions and Range

4.1. Our commitment to selling responsibly extends beyond who we sell to and includes what we sell and how.

4.2. Our range includes a good selection of "no-to-low" alcohol products and excludes certain products which might appeal disproportionately to a younger audience, such as "shooters", regular-sized individual bottles of ready-to-drink products and lines such as Buckfast which have become associated with problem drinking in certain areas.

4.3. Price and promotions are also important in this context. It is too simplistic to apportion responsibility for problem drinking to the price of alcohol alone; if low-cost alcohol were the only factor then countries such as France and Spain, where prices are much lower than in the UK, would have similar problems and countries like Finland, where alcohol is expensive and its availability restricted, would not.

4.4. However we do recognise there has been considerable and legitimate debate about the correlation between the price of alcohol and its consumption.

4.5. Recognising this debate, we have for some time said that we are willing to take an active and constructive part in government-led discussions on the role of price. However because of competition law, which prevents discussion of prices between businesses, the only safe solution is for the Government to initiate and lead these discussions and to bring forward legislative proposals which Tesco and others in the industry can support. To be effective such proposals would have to apply nationally to all retailers of alcohol, otherwise those looking for cheap alcohol would simply shop elsewhere, undermining our business and achieving nothing in terms of tackling problem drinking. Policy-makers would also need to be mindful of the fact that the vast majority of people consume alcohol responsibly and should not be penalised for the actions of less responsible drinkers.

5. Communication and Information

5.1. Our experience shows that informing, educating and empowering individuals is the most powerful way to effect behaviour change. It is also only through effective behaviour change that problem drinking can effectively be tackled.

5.2. We therefore believe it is essential to provide customers with the information they need to make healthy and responsible choices.

5.3. We were the first supermarket to introduce labels showing the units of alcohol in our own-brand alcohol and have rolled out the recommended Department of Health alcohol labelling on all our own-brand packs, showing the unit measurements, the recommended maximum daily intake and other key health messages. We are also encouraging our suppliers to adopt the label on their products.

5.4. We are key supporters of The Drinkaware Trust and its aim of increasing awareness and understanding of the role of alcohol in society to help individuals make informed choices. This includes our Marketing Director sitting on the Board of the Trust, and having done so since its inception, an ongoing financial contribution and our promotion of its messages in store, on products and at point of sale. In particular we are supporting its "Know Your Drinks" campaign, which aims to inform consumers about units and encourage a healthier drinking culture by providing customers with advice and guidance about their alcohol purchasing and consumption at point of sale. See Annex 1 for examples.

5.5. In addition to our support for The Drinkaware Trust we will also be backing the new Campaign for Smarter Drinking, an industry-led social marketing campaign designed to address irresponsible drinking among young people in particular.

5.6. We also use our Tesco Magazine, Wine Club mailings and staff newspaper to promote responsible drinking messages to our staff and customers. For example in the January/February edition of the Magazine we included a section encouraging people to look for lower alcohol wines, highlighting some specific examples and directing people to the Drinkaware website.

6. Partnership Working at a Local Level

6.1. Tackling harmful drinking requires a society-wide approach, with co-operation and collaboration between central and local government; schools; the police; retailers of all types and sizes; pubs and clubs; manufacturers; trading standards; and the public. An example of the power of a collaborative approach is the Community Alcohol Partnership model, first trialled in St Neots in Cambridgeshire.

6.2. The project involved all of the town's off-licence retailers, the police, local authorities, local secondary schools and youth clubs, Drinksense (a local charity), the wider community and the local press (Hunts Post and the St Neots Town Crier). Our St Neots store was the key retail outlet involved in the project and our store manager was an active participant in the project's work.

6.3. Among many new approaches used in the project, police and trading standards provided education to all year groups at the local secondary schools about the law relating to young people and alcohol and the penalties for committing crime; Drinksense facilitated an alcohol awareness workshop for local parents; leaflets were produced in partnership with the main stakeholders for retailers to give to every purchaser of alcohol, explaining the harm of, and law relating to, underage alcohol consumption and proxy purchasing; and trading standards worked with store managers and positioned themselves in retail outlets to explain to any alleged offenders (young people or proxy purchasers) why their purchase had been refused.

6.4. The project led to a fall in anti-social behaviour, lower levels of alcohol confiscation and a very positive response from the local community, who for example cited fewer incidences of group drinking and less litter.

6.5. We have been active in championing and rolling out this model elsewhere across the country, including in Thanet and Canterbury in Kent, the Isle of Wight and Hailsham in East Sussex. We would encourage the Government to support this roll-out actively and encourage local authorities and the police to do so too.

May 2009

Annex 1

POINT OF SALE

Supplementary memorandum by Tesco (AL 63A)

During my recent oral evidence to the Committee, Members requested some additional information on our customer research and on alcohol advertising.

In terms of our advertising spend on alcohol, over the last year this was around £7 million, although this figure includes advertising for food and alcohol together (such as meal deals) and is therefore slightly inflated.

The Committee sought to compare this figure with our contribution to social marketing campaigns such as The Drinkaware Trust, and from that draw some conclusion about our level of commitment to tackling problem drinking. As I said during the session, I do not think this comparison is a meaningful one. Our direct financial contribution to The Drinkaware Trust, which is £75,000 this year, is just one part of our overall commitment to playing our part. In addition to the funding we provide the Trust, our Marketing Director sits on its Board and we support its work through in-kind contributions, such as our support at point of sale of its "Know Your Drinks" campaign. Beyond this we have led the way in labelling our products and promoting responsible drinking messages to our customers, have been active players in the development and roll-out of the Community Alcohol Partnership approach, take a rigorous approach to underage sales and are rolling out Think 25 this month, are key supporters of the new Campaign for Smarter Drinking (to which we are contributing £80,000 this year), and have shown ourselves willing to play a constructive part in government-led discussions on price and promotions.

I hope this additional information is useful. I wish you well with the remainder of your inquiry and look forward to seeing the final report.

David North
Community and Government Director

22 May 2009

Memorandum by the Campaign for Real Ale (AL 64)

MINIMUM ALCOHOL PRICING

CAMRA would like to see the introduction of a mandatory minimum retail price per unit of alcohol to prevent alcohol being sold as a loss leader in the off trade. A minimum price should be set at a level no higher than is necessary to prevent the sale of alcohol at a loss. A minimum price of around 40p a unit linked to inflation would achieve this objective.

In the last 20 years off trade beer prices have increased by only 39% whereas prices in the on trade have increased by 141%. The growing price differential between pubs and the off trade has accelerated the shift in consumption away from well run licensed premises towards consumption at home or on the streets. Well-run community pubs provide a safe and supervised environment for people to enjoy a drink and social etiquette encourages people to drink sensibly. CAMRA polling shows that the majority of adults support the notion that "Community pubs are the best place for adults to drink alcohol responsibly". Action is necessary to close the gap between on and off trade prices in order to reduce the price incentive for people to consume alcohol in entirely unsupervised environments.

Loss leader promotions mean that consumers are now easily able to buy mainstream beer brands in the off trade for under a fifth of the price charged in most pubs. A minimum price of 40p a unit of alcohol would increase the cost of mainstream beer brands in the off trade to a third of the price charged in most pubs. Such a change would influence consumer behaviour leading to a greater percentage of alcohol sales being made through well run licensed premises.

Preventing the sale of alcohol at a loss is a targeted measure that will have greatest impact on those who drink excessively putting themselves and wider society at risk. National Statistics' figures show that men drinking above recommended weekly limits are more likely to have purchased alcohol from the off trade than to have visited a pub. Men drinking below recommended limits are more likely to have purchased alcohol from a pub than from the off trade.[69]

Consumer benefit from supermarket loss leaders is illusory as they are funded by higher prices on other products. The fact that excess alcohol consumption can lead to poor health, crime and disorder means alcohol needs to be treated differently from cans of baked beans or packets of washing powder. It is irresponsible for supermarkets to aggressively promote alcohol on the basis of price.

[69] Of men drinking between 11–21 units a week 54% report having visited a pub in the previous week compared to only 47% who brought alcohol from the off trade. Of men drinking 22 units a week or more 51% report having visited a pub but 72% report having brought alcohol from the off trade. Eileen Goddard—Drinking: Adults behaviour and knowledge—omnibus survey report (National Statistics, 2008)

Supermarket representatives have repeatedly contended that Competition Law prevents them from acting collectively to stamp out the use of alcohol as a loss leader. It therefore appears that legislative action is necessary and a statutory minimum retail price per unit of alcohol would seem to be the most enforceable method of preventing alcohol being sold at a loss.

11 May 2009

Memorandum by ACPO (AL 65)

1. Alcohol and its Impact on Public Order

Generally it is found that people who cause disorder have consumed some quantity of alcohol. Appendix A shows statistics produced in the Northumbria Police force area for both the number of public order related offences, and the percentage of offences influenced by alcohol. It must be noted however that the alcohol indicator is reliant on staff remembering to add it to the crime report, which may explain the rise in the percentages over the years, rather than a true increase in alcohol related public order offences. There is no data available nationally in relation to this.

In 2005 Northumbria Police force launched a campaign targeting drunkenness violence and disorder named "The Party's Over". This focussed on the primary tactic of early intervention and as such resulted in a sharp increase in public order offences compared to arrests for drunk and disorderly, or alcohol fuelled violence.

2. Licensing Laws and the Effect that Recent Changes have had on Public Order

On balance, from the statistics available, the introduction of the Licensing Act 2003 has had no real effect on crime and disorder levels nationally, they have remained broadly the same. This legislation has given the police adequate powers to deal with alcohol licensing enforcement and ACPO are not calling for any more powers.

3. The Law Relating to Evicting Drunk People from Pubs and Clubs and the Extent to which this is Enforced Adequately

Generally the police work in partnership with licensee's and the Security Industry Authority to effectively manage people becoming so drunk on licensed premises that they require eviction. If there is a requirement to evict drunken individuals from licensed premises then the police will then use their enforcement powers in relation to any offences pertinent to the individuals concerned.

There are effective Pubwatch schemes running nationally which allow for exclusions to be placed on individuals from entering specific licensed premises due to previous behaviour. Since 1 January 2009 In Northumbria Police alone 144 Pubwatch exclusions have been served. This in itself is a deterrent to the public, and a punishment to those who do offend whilst in licensed premises.

The Best Bar None nationally accredited scheme provides an incentive to licensed premises to ensure they act responsibly in relation to the management of their licensed premises.

May 2009

APPENDIX A

NORTHUMBRIA POLICE PUBLIC ORDER CRIMES

The table below shows the number of crimes of 125/12, 125/11 or 066/01 and whether there was an alcohol influence for each of the financial years

Code	*Description*	*Alcohol Influence?*	*Year* 2005–06	2006–07	2007–08	2008–09
125/12	Public Order Section 5	Y	773	1,351	1,274	957
		N	2,498	2,816	1,399	1,238
	Total		3,271	4,167	2,673	2,195
	Percentage influenced by Alcohol		23.6	32.4	47.7	43.6
125/11	Public Order Section 4	Y	171	232	290	299
		N	541	576	313	334
	Total		712	808	603	633
	Percentage influenced by Alcohol		24.0	28.7	48.1	47.2

Code	Description	Alcohol Influence?	Year 2005–06	2006–07	2007–08	2008–09
066/01	Affray	Y	108	209	290	290
		N	311	320	196	222
	Total		419	529	486	512
	Percentage influenced by Alcohol		25.8	39.5	59.7	56.6

Supplementary memorandum by ACPO (AL 65A)

EVIDENCE SESSION 14 MAY 2009

There were two questions posed to the 43 police forces nationally as a result of the request at the Health Committee evidence Session, question 436, on 14 May 2009.

(1) *To what extent are the views of the local communities currently taken into account in the granting and reviewing of licensing applications?*

Of the responses received from forces nationally they were generally of the opinion that because of the current requirement to advertise a premise license prior to any approval being granted there is an opportunity for residents living within the local community to object to the licence. There is usually not enough detail however in the adverts regarding the proposed license and the publishing of the adverts is limited. Due to a mixture of apathy, fear of intimidation or a lack of understanding of the process generally forces find that few residents submit objections. If they do they are usually raised via the police or local authority and it is then the responsible authority who raise the objections at the hearing. This is found not to be as effective as a resident raising their own objections at a hearing, which are taken more into account by the licensing committee.

The additional concern raised by forces nationally is that if licenses are refused then the licensee usually appeals, with the assistance of legal representation. To fairly address this balance the individual who raised the objections would require similar legal support. This would however result in extensive costs to the individual who has raised the objections. This alone generally deters any local resident from following through an appeal process.

(2) *Do you think there is scope for more local community involvement in the control of licensing applications and reviews?*

The overwhelming majority of forces agree.

A number of suggestions as to how this could be achieved have been provided by forces and are summarised below:

— Licensing Authorities be required to audit how applications are publicised.

— Emphasis to be placed on the impact a licence will have on residents' quality of life rather than purely crime and disorder issues.

— Requirement to advertise the licensing conditions to a far wider audience including letters to residents living within a particular radius of the premises.

— Responsibility for canvassing the views of residents could lie with local authorities.

— "in the vicinity" should be extended to include anyone who could be adversely affected by such an application no matter how far they live from the premises.

— Inclusion of local residents on the licensing panels.

— Make the hearing a none adversarial process.

— Allow the opportunity for residents to object to applications for Temporary Event Notices.

Supplementary note by Dr Duncan Raistrick (AL 66)

EVIDENCE SESSION ON 7 MAY 2009: COMMISSIONING

Time was running out when we came to commissioning and I wonder if you would be kind enough to forward my additional comment on that section of the session:

> It is probably the case that some new funding for alcohol treatment services will need to be found, however, it would seem proper to look at the use of existing funds first. The functions of the National Treatment Agency for Substance Misuse were due to be absorbed into the mainstream

in 2008 and yet the NTA continues. Many in the field are concerned that the NTA has created a system for drug misuse services which is unnecessarily different to and works in parallel to the Department of Health. The NTA declared a budget of £14.5 million in 2007–08. I know there are many in the field who have little confidence in the NTA, indeed, find the organisation politically driven rather than supportive of treatment providers. In Leeds the commissioning of drug services is through Safer Leeds which has a budget of £560 thousand—presumably this level of expenditure is replicated around the country. Again it is difficult to see the benefits of this parallel system for drug treatment. Substantial savings could be made by bringing the NTA functions and drugs commissioning within the mainstream and these savings could then be put into front line alcohol treatment services.

Dr Duncan Raistrick
Director
Leeds Addiction Unit

19 May 2009

Memorandum by Professor Christine Godfrey (AL 67)

RESPONSE TO INDUSTRY SPONSORED CRITICISMS OF THE RAND AND SHEFFIELD STUDIES ON THE IMPACT OF PRICE AND CONSUMPTION ON ALCOHOL RELATED HARMS

Introduction

Two of the papers are from the Centre for Economics and Business Ltd. They claim to be independent consultants but no names are attached to the report and it is difficult to assess the credibility of the individual authors. Both studies were supported by SABMiller. Oxford Economics review was sponsored by the Brewers of Europe but the reviewers make no claim to independence, The third body is the European Forum for Responsible Drinking.

CEBR Critique of the RAND Report

Ineffectiveness of price on heavy drinkers

This critique seems to contain a fundamental misunderstanding about price responsiveness. The argument put forward is that raising prices may have little impact on alcohol related harm or harmful consumption. This argument fails to take account of the disproportionate share of consumption of hazardous and harmful drinkers. In the UK in 2008, the 24% of hazardous and harmful drinkers accounted for the consumption of over 75% of the alcohol sold. This implies that even small impacts of price on harmful and hazardous drinkers will have a large absolute impact on consumption and alcohol related problems. Imply differences in price elasticity—0.21 for hazardous/harmful from the Sheffield study to—0.47 for moderate (see further comments on CEBR critique of Sheffield modelling study) implies that "alcohol consumption by heavy drinkers is much less sensitive to price changes than for moderate drinkers"—seems to exaggerate the evidence. As the Sheffield modelling exercise on UK data also demonstrates taking cross price effects into account also has an impact and the estimated benefits in reduce harm from different pricing policies are substantial. For moderate drinkers even if more price sensitive the impacts on consumption are modest in absolute terms given their low level of drinking. It is interesting that CEBR try to use the Sheffield study to reinforce their arguments against the RAND study in March 2009 but then later bring out a critique of the Sheffield modelling work.

Costs to moderate drinkers and other impacts

The argument made in this report but not detailed is that policy changes that increase taxes impact on the welfare of non harmful drinkers. The argument is that consumers will as a result of the price changes loose the welfare they would have gained from the higher consumption they would have had if prices had not risen (the technical name is loss of consumer surplus). This economic argument has some grounds and is true for any legislative policy where changes in behaviour are not undertaken voluntarily.

The first counter argument that can be made is that even moderate drinking is not completely risk free. Only if consumers are fully aware of all the harms of alcohol and those harms do not impact on third parties (externalities) can the loss of consumer surplus be considered in full. Note is this type of economic analysis no gains from the "trade" of alcohol—jobs in the industry—as in claimed in this report. It should be noted that any change in consumption would bring about changes in employment and spending shifts—the overall impact in any country on employment is hard to predict as it depends on the labour intensity and import mix of the different consumer goods. Studies of falls in tobacco consumption suggest that overall the number of jobs in the economy rise in all countries other than tobacco growing countries. While alcohol production is more spread across the world it has become very capital rather than labour intensive.

The ethical and economic arguments for public health policies of these kind revolve around the public good and the compensation moderate drinkers may enjoy from the drop in third party alcohol related harm such a pricing policy may bring. So if public drunkenness, alcohol related violence and accidents reduce there are gains to moderate drinkers as there are if alcohol related public expenditure on health care, criminal justice costs etc etc reduce. If as well as such individualistic arguments there is some public ethos (caring externalities) that the state does have a stewardship role in individual behaviour there could be gains even if the impact of the policy was only on improving the quality and quantity of life of the hazardous and harmful drinker. Given the very modest drop in consumer surplus (because of their low absolute level of consumption) these arguments do not seem very sound.

The CEBR report on the RAND study makes one other claim for economic benefit from moderate drinking that moderate drinkers have better health and higher work productivity. The impact of alcohol on earnings (from which the claims of higher productivity from moderate drinkers arises) is complex and this is clearly a two-way relationship as the RAND study on affordability demonstrates—higher income implies higher alcohol consumption. The studies quoted are three from a much wider and more mixed literature.

Other CBER Arguments on the RAND Report

The CBER report makes two other arguments about the RAND study:

1. Affordability is a misleading measure
2. Unreliable statistics

It is not clear what point is being made about the composite measure of affordability. On one hand the report claims that only price is the important factor but this belies the very large evidence base that both price and income are important determinants of alcohol consumption and thereby alcohol related consequences. The policy issue is that taxes set according just to price changes do not take into account such income changes and the consequent impacts on public health. This point in itself does not invalidate any of the RAND results. The CBER Figure 1 just illustrates the changes in affordability over the period of the study which was a period of income growth.

The unreliable statistics arguments are a collection of points. The first point concerns that use of a combined index of affordability rather than disaggregating the impacts into price and income effects. However, the critique which suggest the RAND report is univariate is misleading in that the analysis was a multivariate one with other factors entering the regression analysis. The different factors influencing trends in Europe over this time period mean it is not surprising that simple graphical analysis of the relationship between affordability and consumption vary—indeed this is the whole reason for more sophisticated statistically modelling. They do suggest other faults of the regression specification concerning error terms which may have some validity. While statistical tests do exist to examine whether these are or are not a problem, these are inconsistently applied in peer reviewed published academic studies. Without further testing of the RAND regression model this claim cannot be repudiated or substantiated.

The final argument made seems to be a repudiation of the relationship between overall alcohol consumption and overall patterns of harm. This seems to be based on two arguments, that moderate drinkers have no harms and indeed may have health benefits. These are essentially non economic arguments which have been fully explored elsewhere in the literature.

Oxford Economics Critique of the Rand Study

The main thrust of this report is to criticise the link between alcohol consumption and harm and to suggest the report is biased and selective in reporting evidence. There is no real evidence to suggest the report has been selective in evidence. The Oxford Economics critique of the harm data selected also is very questionable but outside my specific sphere of expertise and I am sure there are other experts to hand to explore these claims.

This report also claims the RAND study fails to quantify the benefits of the alcohol industry. As stated above in most normal economic analysis of policy while any impacts of changes in consumption could have local impacts as such these are not usually impacts factored into economic evaluations—in part because changing consumption of one consumer good is generally replaced with other consumption (less any increase in savings) with other consumption with its own economic impacts. Previously industry sponsored studies eg the Ernst and Young study have grossly exaggerate the jobs dependent on alcohol and other so called economic benefits of the alcohol industry. This report also mentions the consumer surplus argument (see above).

They also quote selectively on the literature about price effects and problem drinkers, arguing that moderate drinkers are "hit ..far more" (page seven) than harmful drinkers. "hugely impact on the rights of moderate consumers"—This again fails to equate proportionate effects with absolute effects and seems to equate lower price responsiveness with no price responsiveness. They do mention the potential cross price effects which in the Sheffield modelling study implies that harmful and hazardous drinkers have higher overall impacts (see discussion on CEBR critique of Sheffield study below) see quote on page six without realising it is actually a counter argument to their own. This is their main conclusion (page nine) but does

not stand up to the international evidence base unlike their claim on page 10 ("consensus in the academic evidence (which is not quoted in the paper) shows those who drink excessively have a very low price elasticity".

Some specific points:

Price shifting and taxes—This is an area of very little research and the only peer reviewed published studies would suggest that in the US, tax changes are over shifted. That is the retail price is higher than that would have resulted from the increase in the tax rate. Detailed analysis of UK tax changes which occur annually may give a European perspective but this is a very under-researched area. It seems a minor part of the major argument about tax changes in Europe and their real value.

Total income versus income per drinker population—The argument made here is for a refinement in the income variable used. The argument is that income should be first per capita and then refined to per potential drinker. (Check RAND study for data used)

The arguments made about *young people* being less price sensitive are similar to those for heavier drinkers. The policy issue is less about relative price sensitivity across different drinking or age groups but more about the impact on harm. Those drinking moderately will not suffer major absolute changes in consumption because of their low level of consumption. The skewed nature of alcohol consumption with hazardous and harmful drinkers accounting for the vast majority of alcohol consumed implies seems to have been completely ignored by these commentators, and emotive language used to make claims about small absolute impacts.

Cross border effects. There is an interesting quote in the study that "to help eliminate cross-border consumption requires equalization of tax rates" (page 11). However, smuggling of tobacco products was for many years more prevalent in low tax than high tax countries across Europe. There is also a need to consider illegal smuggling and tax unpaid trade within and between countries as well as cross border legitimate shopping. However, I also was not totally convinced by the arguments in the RAND report. A specific problem in the UK is not one necessarily around the South East but in low income areas where the illegal trade in alcohol may be impacting on the poor and the young drinker, although the evidence is mainly anecdotal.

Aggregation versus disaggregation. Clearly the RAND study had a specific purpose to conduct a cross national empirical study. At this level of aggregation of data the sub analysis suggested in the Oxford Economics critique cannot be undertaken. Different studies using different types of data are for different purposes. Ideally for proving specific causal relationships the finer and more disaggregated data where all confounders can be modelled statistically is preferred. However, for policy simulations aggregation of data is required especially at a European level. The RAND results are clearly in line with international reviews of the literature and these arguments have less credibility in these circumstances. However, as a single study it would not come high in an evidence hierarchy.

EFRD Comments on RAND's Final Report

This critique is long and focuses on very specific factors and data within the RAND study. I have not gone through each point but attempted to pick out any additional economic arguments that were not covered in other critiques. In this report the repeated claim is about young people and price. Again lower than older price responsiveness is equated to no effect a number of times or again proportionate rather than absolute effect arguments are made.

Overall there seems to be some confusion in this report between the relationship between alcohol consumption and affordability and trends in data in specific countries in the individual trends. Also they exaggerate price changes require for consumption changes—suggesting elasticity of—0.22 requires a 900% price rise to reduce consumption by 19.8%. It is not clear how this was calculated but must include some adjustment for income rises over the last decade. In reality the policy recommendations is that tax changes should take account of income changes over the immediate period not for adjustments to be made at 6–10 year intervals.

Some points are made about differences in on and off trade consumption and prices. Different tax structures with different proportions of value added and specific rates can favour different selling methods. Also as has been seen in some European countries, alcohol can be sold at a loss in multi-product outlets such as supermarkets unlike on-license premises where the scope for such sustained price cuts are less. However, the aggregate analysis in the RAND report was never capable of tackling this issue nor are data available other than general trade sources.

The report also suggests that there may not always be a perfect relationship between tax rates and price. They are also concerned that RAND did not look at other factors influencing relative prices between countries. However, of more interest to policy is whether *changes* in tax rates would or would not be passed onto the consumer. In situations where there is less competition and drinks producers and retailers have excess profits there would be scope for taxes to be under-shifted or over-shifted. The report only reports evidence on levels from a WHO report (page 10). The potential of the industry to distort prices is of concern as alcohol producers and retailers become more concentrated across Europe especially as under shifting may

subvert public health objectives. Also in general there can be health benefits in setting taxes as a specific rate as unlike value added taxes these do not decrease if prices are cut. The issue is the low minimum rate of these specific duties across Europe.

Cross border shopping is also mentioned in this report and binge drinking in the North East and North West mentioned. This is an historic difference in drinking patterns but also these areas have larger concentration of poor and may be the target for smuggling rather than legitimate cross border shopping. Large urban poor populations mean that it is easier and cheaper for criminal gangs to organise distribution and sale of cheap illegal alcohol.

They also refer to selective evidence on taxation but as with other critiques their claims are not borne out by the international review evidence.

There are some interesting quotes about two for one offers which were also offered as evidence at the House of Commons Select Committee evidence. The claim is that all these offers are on higher price products. They do not provide evidence for this claim. The House of Commons Select Committee did ask the trade bodies for such evidence.

Finally, the report ends to suggest education measures should be added to the list of effective tools. Their claim is that other factors influence consumption but do not distinguish between those that can and those that can not be influenced by policy. Other than education they do not point towards other policy measures to reduce alcohol harm.

CEBR Critique of the Sheffield Modelling Study

This paper is longer than the CBER critique of the RAND report and interestingly put together there are some inconsistencies in their comments especially concerning aggregation of data.

The most important claim they make is that the elasticity estimates of the Sheffield study are double the estimates they think are reasonable. Their analysis is however based on a fundamental misunderstanding of the Sheffield research. The Sheffield model is complex and so these arguments superficially can look plausible.

The CEBR critique fails to recognise that the Sheffield model is a disaggregated one and all the simulations are based on the disaggregated equations not any artificially aggregated estimates. The models take account for each group not only of all the cross price effects of other alcoholic drinks but also the impact of a change in alcohol prices on the consumption of other non alcohol goods. The authors of the Sheffield clearly lay out the reasons why individual aggregate price elasticities for alcohol by different drinking groups may not be meaningful on page 51 of their report. They also explain why their model results which show own price elasticity estimates which increase with mean quantity of alcohol consumed in their disaggregated model are consistent with the literature which at that highest level of aggregation show hazardous and harmful drinkers are less price elastic than moderate drinkers. That is the Sheffield results are logically consistent with previous literature. Interestingly the paragraph explaining these results and that in the Sheffield study finds that impacts rise with level of consumption is quoted in full in the Oxford Economics critique.

The CEBR by attempting to draw relationships between estimated effects at the aggregate level leads to misleading results because they are not taking the disaggregated cross price and income effects into account. Their estimates—using half the estimated aggregate effect are not only distorted in overall size but also in distribution. The Sheffield model takes into account that cross price impacts vary in a very complex way between moderate and hazardous/harmful drinkers and across the different beverage and price groups of goods.

These arguments invalidate all of their empirical estimates in the report.

More specific points:

Figure 1.2—The argument made here is that younger people face higher price per unit on average than moderate drinkers. However, these figures are not broken down by source of alcohol unlike Figure 1.1. The proof of the Sheffield modelling report is in the estimated effects for different policy simulations and this point has no relevance other than some younger people's drinking may not be impacted by minimum prices.

Table 2.1—again the authors only quote the aggregate elasticity estimates which the Sheffield study indicates are misleading.

Dependency—there is also an "intuitive" appeal made about lower price elasticities for dependent drinkers on page 20. There is no evidence for this and the risk of dependency as a reason for more stringent restriction on young people's drinking is not mentioned in arguments about the benefits of moderate drinking and consumer surplus later in the report.

The focus in this report as others is in interpreting low price elasticities as no impact and they suggest the Chief Medical Officer as misinterpreting the Sheffield study (page 22). In fact they have not understood the Sheffield results as explained above.

The evidence from Canada is all on graphical analysis and there is no statistical analysis. They also claim that a switch from beer to spirits would not be desirable as it implies people are switching to higher strength products. But the health argument must be whether individuals are consuming more pure alcohol as a result of the policy and no evidence is given for this. Where graphic analysis would seem to support the minimum pricing policy as in rates of violent crime it is dismissed as not taking account of other factors.

The main points of Chapter 4 are covered above and the first three bullet points on page 30 arise from the CBER's lack of understanding. The fourth point is interesting as it is suggesting that the aggregate (average) results for moderate drinkers is not representative as although the average is five to six units per week some moderate drinkers have higher alcohol consumption. This is a surprising analysis as clear all averages are just that averages as well as the group who will have higher impacts there are an equal number with lower effects.

Some comments are made about crime harms and how these were introduced into the Sheffield model. However, the Sheffield report used a study from the Home Office and the AAFs were taken from this study not by the Sheffield authors. This would be considered best available evidence for the model but obviously there is need for more research on the link between alcohol and crime and how risk functions vary with level of consumption.

The rest of Chapter 4 of the CEBR report is not valid as explained above.

In Chapter 5 the authors use a model of measuring benefits to individual drinkers using the consumer surplus arguments. They do suggest in this report that hazardous and harmful drinkers may not value the harm to themselves in making their consumption decisions. However, they fail to put any value on this other than estimated alcohol related harms. They fail to account for potential dependency and its costs nor to they seem to value life years lost in anyway although the graphs are somewhat obscure. One Quality Adjusted Life Year (QALY) is generally considered to be worth between £20,000 and £30,000 in the UK. The CEBR model also assumes there are no risk to moderate drinking.

The rest of the analysis in the report is again meaningless as they do not understand the Sheffield model and their own estimates are distorted.

The focus on Chapter 7 is the profitability and competitiveness of firms. This is interesting given the evidence provided to the House of Commons Inquiry which suggests that competitiveness arguments may be a barrier to effective public health measures. However, there is little evidence of a highly competitive alcohol production market with increased globalisation. More likely would be a change in alcohol products with producers switching to lower alcohol content higher quality products which may have additional public health benefits. There has already been some movement towards this in the UK with changes in the cider market.

Professor Christine Godfrey
The University of York

8 June 2009

Memorandum by the Office of Fair Trading (AL 68)

The OFT has been asked to comment on some of the recent evidence given by witnesses to the inquiry which referred to the role of competition law in relation to agreements between firms. We set out below some background on the role of competition law, before commenting on the specific references in the oral evidence.

CONTEXT: ROLE OF COMPETITION LAW

By way of background, the purpose of competition law is to safeguard competition between firms for the ultimate benefit of consumers. The underlying rationale is that well-functioning markets, in which firms compete strongly, can play a key role in promoting economic growth and improving outcomes for consumers.

Markets may not always function well for a variety of reasons, including lack of information or because there are externalities not captured by the market (such as the impact of carbon emissions on climate change). In some cases this can warrant intervention by government, for example through regulation. Markets can also work less well because of anti-competitive features (for example, anti-competitive agreements between firms or the abuse of market power by one or more firms). Competition law exists to police this last type of market failure.

The OFT has a range of enforcement powers under different statutes to address competition concerns in markets (including in relation to mergers and market investigation references to the Competition Commission). In the context of the matters raised during the Health Committee's inquiry, the most relevant framework for assessing when firms' behaviour (including the issue of voluntary agreements) may be judged anti-competitive is set out in the Competition Act 1998.

The Competition Act establishes two prohibitions: first, it prohibits agreements or understandings between firms which have an anti-competitive object or effect (for example, those which reduce independent competition between them); and second, it prohibits behaviour which takes unfair advantage of a position of market power (this is technically referred to as an 'abuse of a dominant position'). The Competition Act prohibitions mirror the prohibitions contained in Articles 81 and 82 of the EC Treaty. Articles 81 and 82 apply where there may be an effect on trade between EU Member States.

Agreements or Understandings between Firms

The issues raised in the evidence given to the Health Committee inquiry relate primarily to the first type of behaviour outlined in the Competition Act—anti-competitive agreements or understandings between firms.

Competition law prohibits businesses from reaching any agreement/understanding or exchanging information on commercially sensitive competitive matters (eg price, volume, promotions or other parameters of competition between them). The key principle is that firms should be making these decisions independently of each other as part of the process of competing with one another within the market.

This does not mean that all agreements or forms of collaboration between firms will be illegal. In fact, quite the opposite—many agreements or forms of collaboration between firms are permitted within the legal framework. Some agreements will not have an effect on competition. In other cases, competition law allows that the benefits of an agreement in improving efficiency and bringing benefits to consumers can be weighed against the potentially anti-competitive effects.

Guidance

The OFT has published extensive guidance to help businesses and industry representatives assess their actions for compliance with UK competition law. All of our guidance is available on our website (www.oft.gov.uk).

We have produced specific guidance for trade bodies which sets out some examples of activities that may or may not be permitted and includes details on information sharing and so-called "exemption criteria". You may also find useful the guidance recently published by BERR which explains how competition law applies to voluntary agreements between businesses in the UK, "Competition Law: issues which arise when Government or Lobby Groups seek to encourage business to work together to deliver desired policy outcomes."

Specific Points Referred to in the Oral Evidence

We have been asked by the Committee to comment on the answers given during an evidence session. We note that, in response to question 325, Mr Beadles (WSTA), stated that

> "[t]he OFT has given us very clear guidance on what we can and cannot agree within a voluntary code… One of the issues that the OFT has advised us on that we have to be very careful about in a voluntary arrangement is the placing of promotional activities within stores. It is a discussion that we have had and the OFT has been very clear with us that there is a line and the placement of promotional activities in stores is a competitive and commercial issue and, therefore, a voluntary agreement on that at this moment in time is something that they advise us not to step over."

Later on, in response to question 384, he stated

> "We can supply the correspondence which sets out the conversations that we had with them about the lives [sic] that we could get to, and we can also supply advice from our own lawyers. A lot of the time the OFT ask us to take our own advice on this; so we are happy to supply that."

The OFT can confirm that on 31 August 2007 we responded to a request from Mr Jeremy Beadles, Chief Executive of the Wine and Spirit Trade Association ("WSTA"), and we provided general guidance on the issue of agreements between firms in relation to pricing and other matters. We note that Mr Beadles has also given evidence to the Health Committee. In its response to the WSTA, the OFT stated that:

> "a key element of these laws [ie UK and EC competition legislation] is a prohibition against businesses reaching agreement/understanding or exchanging information (whether directly or indirectly through a third party, such as a trade association) on commercially sensitive competitive matters (for example, prices, volumes, promotions) that should otherwise be determined by the market players independently of each other as part of the process of competing with one another."

The OFT referred the WSTA, among other matters, to the OFT's published guidelines "Agreements and concerted practices" (OFT, December 2004) and "Trade associations, professions and self-regulating bodies" (OFT, December 2004). It also recommended that any group of firms contemplating entering into voluntary agreements in relation to the above matters should seek independent legal advice.

We presume that the points made to the inquiry emanate from the above general guidance provided by the OFT to the WSTA and from legal advice that firms may have received on these issues. Although the OFT did not specifically address the issue of 'the placement of promotional activities in stores', the position that the firms in question have taken, apparently having identified for themselves that this is a parameter of competition between them, is consistent with the spirit of the OFT's general guidance to the WSTA.

World Health Organisation Evidence

You have also asked us to respond to evidence given to the Committee evidence sessions and in writing that the World Health Organisation regards alcohol as a potentially dangerous product which should be sold and marketed according to rigorous controls.

As a competition authority, the OFT would not wish to comment on or question the World Health Organisation's views on the harmful effects of alcohol consumption. We understand the seriousness of the issues involved, and would not in any way seek to undermine the objectives of the WHO or indeed UK government policy in this area.

However, we believe it is important for policymakers to think through the full benefits and costs of any potential measures to combat misuse of alcohol, particularly where this might have detrimental impacts on competition and consumers. The unintended consequences of restrictions on markets can be significant in the long-term, and difficult to predict.

For example, one policy option that has recently been discussed is the imposition of a minimum price per unit of alcohol.

One might question whether such an approach would be effective. For example, our understanding is that the World Health Organisation research found that demand for alcohol in many high-income countries was relatively inelastic to price, which would suggest that a minimum price would have relatively little impact on demand.

But, from a competition perspective, the key point is that we would want any discussion of such policy proposals to recognise the costs—for example:

- Setting a minimum price is likely to generate additional profits for businesses (in contrast to, say, a tax where the additional revenues go to the government).
- Restricting price means that firms are no longer competing actively for customers across part of the market. This, for example, could make it difficult for new firms to attract customers, and more generally reduce the competitive pressure on incumbent firms.
- Minimum prices can encourage firms who benefit from the restrictions to engage in lobbying government or the relevant regulator to keep the restrictions in place, or extend them.
- A general restriction on price is a blunt instrument which would affect a large number of consumers, and not just those who are misusing alcohol.

Conclusion

I hope that this letter has provided a useful overview of the role of competition law and how the law applies to agreements or understandings between firms. Having highlighted the range of relevant guidance already available from the OFT and BERR, we have also set out the general guidance that has been provided to the alcohol drinks sector on the issue of voluntary agreements in relation to pricing and other matters.

Chris Jenkins
Head of Competition Advocacy Team

1 June 2009

Memorandum by Ofcom (AL 69)

1. Introduction

1.1. Ofcom (the Office of Communications) welcomes this opportunity to submit written evidence to the House of Commons Health Select Committee's inquiry into alcohol. We are content for this evidence to be published.

1.2. Ofcom is the UK regulator of the communications industries, with responsibilities across television, radio, telecommunications and wireless communications services. Ofcom was established on 29 December 2003 and replaced the Independent Television Commission (ITC), the Radio Authority, the Broadcasting Standards Commission, Oftel and the Radio Communications Agency.

2. Background to Broadcast Advertising Co-regulation

2.1 The Communications Act 2003 encourages Ofcom to consider effective forms of self-regulation for its various functions where appropriate. Against this background Ofcom decided that a self-regulatory approach to broadcast advertising regulation would:

- provide a one-stop shop for advertising complaints, making it easier for the public to complain about advertising (indeed, even before the change, more people mistakenly complained to the ASA about TV advertising than to Ofcom's predecessor, the ITC);

— allow all broadcast and non-broadcast advertising (including on the internet and on phone services) to be subject to a common self-regulatory approach, under a single established body, thus providing greater clarity for consumers and scope for a more consistent policy across different forms of advertising;

— encourage the advertising industry to take responsibility for its own behaviour; and

— minimise duplication of resources within Ofcom and the ASA, and further the statutory objective in the Communications Act of promoting self and co-regulation where appropriate.

2.2 Ofcom consulted extensively in October 2003 on proposals to transfer broadcast advertising content regulation to a new system to be established under the auspices of the Advertising Standards Authority ("ASA"). In July 2004, Ofcom's final proposals received Parliamentary approval, under the Deregulation of Contracting Out Act 1994.

2.3 From November 2004, Ofcom delegated day-to-day responsibility for applying the broadcast advertising codes to the ASA. At the same time, responsibility for the TV and Radio Advertising Standards Codes was delegated to the Broadcast Committee of Advertising Practice (BCAP), the industry rule-making body, comprising advertisers, agencies and broadcast media.

2.4 Nonetheless, Ofcom stands behind the co-regulator, and retains its statutory responsibility for the regulation of broadcast advertising under the Communications Act. BCAP can only make changes to the Codes with Ofcom's agreement and following public consultation, having also consulted the independent Advertising Advisory Committee (AAC). Ofcom also retains responsibility for taking licence compliance action against broadcasters if advertisers fail to respond to adjudications by the ASA.

2.5 The ASA's submission to the Health Select Committee, (section two paragraphs 5.1 to 5.7.6) describes the approach they take to advertising regulation in more detail. Ofcom works closely with the ASA and, as explained below, undertook joint research to examine the impact of changes to the rules on alcohol advertising.

3. Legislation: Powers and Duties

3.1 Ofcom has a number of duties and powers under the Act that are relevant when considering alcohol advertising. Ofcom's principal duty when carrying out its functions is to further the interests of citizens and consumers in communications matters (section 3 (1) of the Act).

3.2 Ofcom is required to secure a number of things when carrying out its functions which include "the application in the case of all television and radio services, of standards that provide adequate protection to members of the public from the inclusion of offensive and harmful material in such services" (section three (2) of the Act).

3.3 In performing its duties, Ofcom is required in all cases to have regard to a number of statutory considerations including:

> *(section 3 (4)): (h) the vulnerability of children and of others whose circumstances appear to OFCOM to put them in need of special protection'.*

3.4 Under Section 319 of the Act, Ofcom also has a duty to set, and from time to time review and revise, standards for the content of programmes to be included in television and radio services as appear to it best calculated to secure certain standards objectives. Those objectives include:

> *"That persons under the age of eighteen are protected (section 319 (2) (a))".*

3.5 The additional statutory objectives under section 319 of the Act which are relevant to alcohol advertising are:

> *(2 (f)): that generally accepted standards are applied to the contents of television and radio services so as to provide adequate protection for members of the public from the inclusion in such services of offensive and harmful material;*
>
> *(2 (h)): that the inclusion of advertising which may be misleading, harmful or offensive in television and radio services is prevented;*
>
> *(2 (j)): that the unsuitable sponsorship of programmes included in television and radio services is prevented;*

3.6 Section 319 (4) also requires Ofcom to have regard—*'in particular, and to such extent as appears to them to be relevant to the securing of the standards objectives, to a number of matters including:*

> *(a) the degree of harm or offence likely to be caused by the inclusion of any particular sort of material in programmes generally, or in programmes of a particular description;*
>
> *(b) the likely size and composition of the potential audience for programmes included in television and radio services generally, or in television and radio services of a particular description;*

3.7 This requirement seeks to ensure that the implementation of the duties in 319 is proportionate, following section 3 (3) of the Act which requires Ofcom, in performing its duties, to have regard in all cases, to:

> *(a) the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed; and*
>
> *(b) any other principles appearing to Ofcom to represent the best regulatory practice.*

3.8 Accordingly, Ofcom has at all times to have regard to the need to act proportionately when performing its duties. This includes the setting or revising of content standards for alcohol advertising in such a way as to secure the protection of persons under 18 and the protection of any others whose circumstances appear to Ofcom to put them in need of special protection.

3.9 In addition Ofcom's regulatory principles also require our interventions to be evidence-based in both deliberation and outcome.

3.10 Ofcom does have powers under the Act to prohibit "*advertisements and forms and methods of advertising or sponsorship (whether generally or in particular circumstances)" (section 321 (1) (b)).*

3.11 It should also be noted that under section 321 (6) of the Act, the Secretary of State retains the power to direct Ofcom to prohibit descriptions of advertisements that should not be included in programme services and also, forms and methods of advertising and sponsorship. Ofcom has a duty to comply with any such direction (section 321 (6)).

4. Regulation of Alcohol Advertising

4.1 There are two forms of regulation for TV alcohol advertising.

— Scheduling rules: where and when adverts appear on television.

— Content rules: the imagery, wording and tone of the adverts.

Rules on the scheduling of alcohol advertising

4.2 Scheduling rules already limit where alcohol advertisements may appear in the schedules. Alcohol (and liqueur chocolates) may not be advertised in or adjacent to children's programmes or programmes commissioned for, principally directed at or likely to appeal particularly to audiences below the age of 18.

4.3 Since 1999 a system of "indexing" has helped to prevent adverts being directed at children. A programme of "particular appeal" to children is deemed to be one that attracts an audience index of 120 for this age group. If a programme attracts an under-16 audience in a proportion similar to that group's presence in the viewing audience as a whole, it is said to index at 100. So an index of 120 is an over-representation of that group by 20 percentage. The proportion of 10–15 year olds in the audience is 8.24%, so any programme which has more than 9.84% (8.24 x 1.2) of 10–15 year olds in the audience would not be allowed to carry alcohol advertising in or around it.

4.4 More simply put, if a disproportionately large number of young people watch a programme, the broadcaster cannot place alcohol adverts in or around it. This is a more targeted approach than a pre-watershed ban as it hones in on specific programmes appealing to young people regardless of what time they appear in the schedule. Eg Ugly Betty goes out after 9pm. Alcohol ads are not placed around it because of the disproportionately high number of young people watching the show.

4.5 Indexing is the standard approach used to limit children's exposure to a variety of advertising categories. These include gambling, HFSS food and beverages, sanitary protection, certain religious matter, slimming products, medicines, vitamins and dietary supplements, matches, trailers for 18/15 certificate films, advertising for all of which is excluded from in and around programmes whose audiences contain a disproportionate number of young people.

Rules on the content of alcohol advertising

4.6 The current rules reflect a review carried out in July 2004, when Ofcom consulted on proposals to revise Section 11.8 of the Advertising Standards Code for television advertising relating to alcoholic drinks. The decision to review the content rules came from a background of widespread concern (including Government concerns expressed in its Alcohol Harm Reduction Strategy) about the drinking behaviour amongst teenagers and young adults, including excessive or binge drinking or anti-social behaviour associated with drinking.

4.7 Following the consultation, new rules for television advertising came into force on 1 January 2005 with a "grace period" until 30 September 2005 for advertisers who might have already committed themselves to campaigns which might not comply with the revised rules. In tandem with this process, the Committee of Advertising Practice (CAP) amended the alcohol rules in the non-broadcast advertising Code.

4.8 In particular, the changes to the Codes sought to prevent alcohol advertising having a strong appeal to "under 18s" and, in particular, being associated with youth culture. For example a new rule in the TV Code requires that alcohol advertising "must not be likely to appeal strongly to people under 18, in particular by reflecting or being associated with youth culture". The rules are also designed to protect

vulnerable groups by preventing suggestions that alcohol can increase popularity or confidence etc. As a result of the rule changes, at least one alcohol advertising campaigns that ran in Europe and the United States were banned in the UK.

4.9 Ofcom did not propose changes to the scheduling rules in 2004, considering a time-based ban would not be effective or proportionate. The rationale being that although a 9pm ban would reduce the exposure of under 18s to alcohol advertising, they would continue to see alcohol adverts after the watershed. Such a pre-watershed ban could inflate the cost of advertising spots for all advertisers after 9pm, and would also result in an overall fall in advertising revenues for broadcasters.

5. Evidential Basis for Current Policies

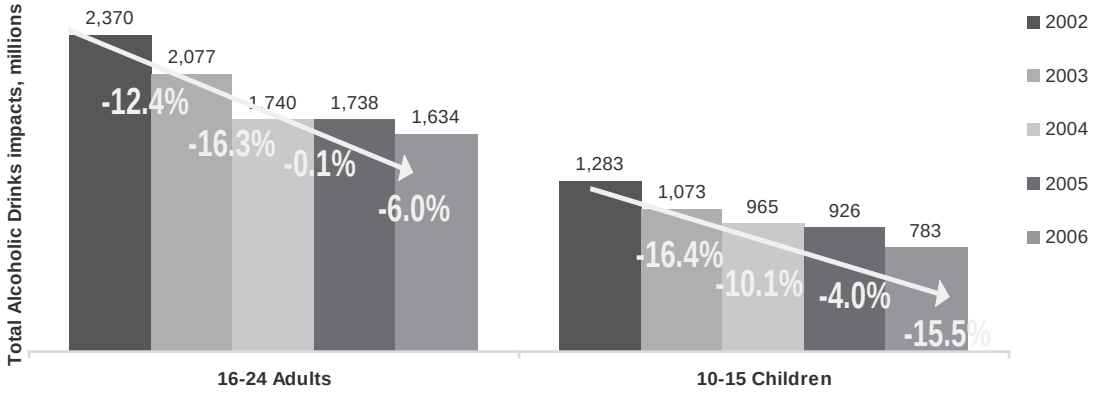
5.1 Ofcom's regulatory principles (http://www.ofcom.org.uk/about/sdrp/) explain that we seek to ensure that policy decisions are evidence-based, drawing on market data as well as qualitative and quantitative research.

5.2 The 2007 research on *Young People and Alcohol Advertising* was designed to assess the effect of the content rule changes. Ofcom and the ASA commissioned joint research both before and after the implementation of the new rules into young people's response to alcohol advertising, together with more general background research into young people's drinking habits and the alcohol advertising market. This research Young People and Alcohol Advertising is described in more detail below and included in full in at Annex 3.

5.3 At present this research report is the most up to date detailed evidence available to Ofcom, and its contents continue to support the Ofcom's policy position on the scheduling restrictions for alcohol advertising.

Trends in TV advertising activity, and the amount seen by children and young people

5.4 In brief, the report found that expenditure on TV alcohol advertising has declined in recent years, but has increased in other media, particularly outdoor media (eg poster sites), the press and radio. Although the number of alcohol advertising spots on TV has increased somewhat children's exposure to alcohol advertising has fallen significantly between 2002 and 2006.



Source: Nielsen Media

Key Supporting Data are as Follows:

Advertising Spend

5.5 Year-on-year trends show that TV advertising spend on alcoholic drinks fell by 21.1% (£26 million) between 2005 and 2006, compared with a 6.0% decline in total UK television advertising spend. In comparison alcoholic drinks advertising spend on outdoor and radio grew at an above-average rate.

5.6 TV's share of total alcohol media spend has been in steady decline (down from 65.1% in 2002 to 49.1% in 2006) as outdoor, press and radio account for a growing proportion of spend. In 2006, advertisers spent £194 million advertising alcohol products on television, radio, press, outdoor and cinema. Of this, £95 million (49.1%) was spent on TV advertising. This compares with £3.8 billion was spent on by categories of advertising in the UK on TV advertising.

5.7 We do not have detailed market data on alcohol advertising beyond 2006, however indications are that TV spend on alcohol advertising has remained fairly flat in 2007 and 2008.

Additional measurements

5.8 Although advertising spend provides the broad market context, it doesn't necessarily provide an accurate indication of the volume of advertising appearing on TV. Due to fluctuations in the cost of advertising it is important to also examine both number of individual adverts or "advertising spots" being broadcast and the level of viewing of those advertising spots.

5.9 The number of advertising spots aired tends to increase as channels numbers grow, but audience fragmentation means that the increase in the number of spots does not necessarily translate into an increase in exposure to advertising.

5.10 To establish how many people actually see the adverts that are broadcast we also measure "advertising impacts". One impact equates to one person viewing an advert once. Ten impacts could be one person viewing an advert ten times, two people viewing an advert five times or ten people viewing an advert once.

Commercial spots aired

5.11 Despite the decline in spend, the number of alcohol advertising spots on TV increased by 7.4% between 2005 and 2006, driven in the main by increased promotion of cider drinks. The volume of alcopop advertising fell 67.6% between 2005 and 2006.

Impacts/exposure

5.12 Over recent years children and young adults were exposed to fewer alcohol commercials on television. Between 2002 and 2006 there was a decline of 31.1% and 39.0% in 16–24 and 10–15 year olds advertising impacts respectively.

5.13 In line with the changes in commercial spots and advertising spend there was an increase in exposure to cider advertising and a fall in exposure to alcopop advertising.

Trends in TV advertising content, and the impact on children and young people

5.14 The *Young People and Alcohol Advertising* research also set out to measure the extent to which the changes to the alcohol advertising rules made in 2005 may have impacted on the appeal of alcohol for people under 18. The results must be treated with some caution, as the considerable market and cultural changes (such as changes in licensing laws, changes in the types of drinks consumed, etc) mean that the two waves are not directly comparable. In particular, it is difficult to discern clearly the impact of these advertising rule changes on young people's attitudes and behaviour towards both alcohol and alcohol advertising.

5.15 Against that background, there were some positive indications of changes in behaviour. The research found that 11–13 year olds were less likely to have drunk alcohol at all, but there was very little change in the proportion of 11–17 year olds saying they regularly drink to get drunk between the two waves of research. There was a significant fall in the proportion of 18–19 year olds regularly drinking to get drunk. The age at which it is most common for young people to report regularly drinking to get drunk is now 20 to 21 years old. Reflecting a shift in the balance of advertising, alcopops were less popular, and cider was more popular.

5.16 In terms of perceptions, young people's ability to recall alcohol advertising had declined (which is probably linked to the reduction in their exposure to TV advertising) since the introduction of the new rules. There was no change in how much young people say they like the adverts and there was an increase in those saying the adverts make the drink look appealing and would encourage people to drink it. However the proportion of young people saying they feel the alcohol commercials are aimed at them had declined.

Key supporting data are as follows:

5.17 Based on our survey the proportion of 11–13 year olds who have never drunk alcohol has increased from 31% in 2005 to 46% in 2007. (Consistent with 2007 Government findings)

5.18 Alcopops have declined in popularity—when asked about the brands of alcohol that they drink mentions of alcopops overall have dropped from 69% to 58%. This is particularly the case for those aged 14 or over.

5.19 In line with general fashions in alcohol consumption, there was an increase in the amount of cider that young people report drinking. This is particularly the case among 14–17 and 18–21 year olds—three in ten young people from both these groups have drunk cider in the last six months (compared to 14% and 11% respectively in 2005).

5.20 Recall of alcohol advertising has declined between the two waves of research. There was a significant decline in the average number of unprompted mentions of alcohol adverts from 3.95 to 3.31. Among the different sub-categories of drinks, there was a decline in recall of beer, alcopop, vodka and spirit advertising and an increase in recall of cider advertising.

5.21 A comparison of media activity during the pre and post waves of research shows that total alcohol advertising spend fell by 2.9% and television advertising spend fell 26.2%. Between the two phases of research, there was a decline in spend across the beer, alcopops and spirits sub-categories and an increase in advertising spend among vodka and cider brands.

5.22 Therefore with the exception of vodka, the downward shift in television advertising spend was matched by a downward shift in advertising recall—and for cider the increase in spend was accompanied by an increase in recall. Based on this analysis it is not possible to attribute the fall in recall of alcohol advertising to a reduction in appeal of advertising as most changes in recall are mirrored by changes in advertising spend.

5.23 Making like for like comparisons between the adverts from the 2005 and 2007 waves of research must be approached with caution. However, based on a range of measures used to test the broad appeal of each television commercial tested in the quantitative stage, the following conclusions can be made:

5.24 The likeability of adverts (based on a ranking of advertisements from 1–10, one for "don't like it at all" and 10 for "like it a lot") has not changed between the two waves of research.

5.25 Young people are more likely to say that the adverts make the drink look appealing and that they will encourage people to drink.

5.26 However young people are less likely to say that they feel the adverts are aimed at them

12 June 2009

Memorandum by Sue Otty (AL70)

EXECUTIVE SUMMARY

My submission is about the lack of choice in the size of glasses of wine offered by a pub/bar restaurant, and the possibility that the removal of a glass size of 125ml may contribute to the over-consumption of alcohol by the public. I also comment on the practice of large bar chains to do special offers, which still continues, despite advice from those concerned about excessive drinking.

1. I have no area of expertise in this matter. I am submitting this memo as a visitor to pubs/bars and restaurants, and as someone who lives close to the centre of Bristol and witnesses, during the evenings, the unpleasant behaviour of those who have consumed vast quantities of drink.
2. It is now impossible to buy a 125ml glass of wine. A glass of wine comes only in two sizes; a "small" glass is now 175ml and a "large" glass is 250ml.
3. I would like the choice of being able to buy a 125ml glass. If another drink were offered, I could have another small one. This is much better than having two of the current "small glasses.
4. The strength of wine is on the increase. Two of the current "small" glasses could easily take one over the limit.
5. I have noticed that several chains offer such inducements as "buy 2 large glasses and get the rest of the bottle free". This seems to me to be completely irresponsible.
6. I would like to recommend that all premises serving alcohol should be legally obliged to offer 125ml glasses of wine.
7. I would also like to recommend that the local licensing authorities should be given the duty to keep a watch on all inducements offered to the public (such as the one referred to in paragraph five), and have the power to order the establishment to cease to offer them. I know this is difficult, because the pub/bar will argue that their drinkers are not causing the regrettable scenes which occur through public drunken behaviour, but it does not seem as though voluntary agreements work.

June 2009

Memorandum by the Health and Consumers Directorate-General, European Commission (AL 71)

Thank you very much for the opportunity to provide information to the Health Committee's inquiry into alcohol misuse.

Given the relatively short time available for consultation, I cannot provide you now with an agreed European Commission legal position. Instead, I would be grateful if you would consider my remarks as the informed reflections of the Director General charged with implementing the EU's Health Strategy.

Current EU Public Health Context

Firstly, I would like to provide some background to the alcohol and public health situation in the European Union. It is estimated that 55 million people in the EU drink alcohol to harmful levels, and that, of these, 23 million are considered to be addicted. Studies indicate that the harmful use of alcohol is the third main cause of early death and illness in the region with alcohol estimated to account for around 195 000 deaths each year across the EU. These include deaths from various cancers, liver cirrhosis, road traffic and other accidents, homicides, suicides and neuro-psychiatric conditions. The cost to the EU economy has been estimated at 1.3% of its GDP (calculated before the recent financial crisis.)

In response, the Commission adopted an EU Alcohol Strategy in 2006 which puts in place a framework for the European Union, Member States and stakeholders to reduce the harmful consumption of alcohol. We are increasingly seeing discussion of pricing policies across Europe. Scotland's initiative to consider minimum pricing is therefore being watched with great interest.

Issue of the Legality of Minimum Pricing

As far as the issue of the legality of minimum pricing is concerned, the Commission has recently responded to a Written Question in the European Parliament saying that while Community secondary legislation, including Council Directive 92/83/EEC,[70] does not prohibit Member States from setting minimum retail prices for alcoholic beverages, any such national measure and its effects still need to be compatible with other provisions of Community law, including the EC Treaty's rules on the free movement of goods (Articles 28–30 EC).

One issue to consider would be to ensure that such measures are not restrictive to intra-Community trade. The Court of Justice of the European Communities has ruled that national rules fixing retail prices for alcoholic beverages could constitute measures having an equivalent effect to quantitative restrictions on imports contrary to Article 28 EC. This would be the case if, for example, prices were set at such a level that imported products were placed at a disadvantage in relation to identical domestic products, either because they could not profitably be marketed in the conditions laid down or because the competitive advantage conferred by lower cost prices was cancelled out. In other words, a minimum price fixed at a specific amount may, according to the circumstances, have an adverse effect specific to the marketing of imported products and thus constitute an obstacle to the free movement of goods within the Internal Market.[71] On the other hand, this would not be the case if pricing rules applied to all relevant traders operating within the national territory and if they affected in the same manner, in law and in fact, the marketing of domestic and imported products.

Another issue to take into account is the extent to which alternative measures have been considered, particularly whether there are other measures that could achieve the same public health gains in a way that is less restrictive to intra-Community trade. For example, could the same public health gains be equally ensured by increasing the excise duties on alcohol, rather than the price?

Against such competition considerations, Article 152 of the EC Treaty also places an obligation on the Community to ensure a high level of human health protection in the definition and implementation of all Community policies and activities.

A Public Health Test for Alcohol Policies

The Commission's view is that all policies, including those relating to alcohol, should be evaluated upstream for their potential impact on social, economic and environmental factors. More specifically, the Community health strategy "Together for health"[72] calls for the use of the Health in All Policies (HIAP) principle, which means strengthening the integration of health concerns into all policies at Community, Member State and regional levels.

The assessment of health impacts is integrated into the Commission's Impact Assessment Guidelines[73] and DG Health and Consumers has provided support for the development of tools for Health Impact Assessment in the framework of the Community Public Health Programme.

Moreover, in terms of internal market provisions, the Treaty allows Member states to restrict free movement based on public health grounds, provided that these restrictions are non-discriminatory and proportional.

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[70] Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages, OJ L 316, 31.10.1992.

[71] See van Tiggele, Case 82/77, [1978] ECR 25, paragraphs 14 and 18; "Cullet", Case 231/83, [1985] ECR 305, paragraph 23.

[72] White paper: Together for health: A Strategic Approach for the EU 2008–2013. COM(2007) 630 final http://ec.europa.eu/health-eu/doc/whitepaper_en. pdf

[73] European Commission: Impact Assessment Guidelines 2005/2006 SEC(2005) 791 http://ec.europa.eu/govemance/impact/docs/key_docs/sec_2005_0791_en.pdf

Voluntary Agreements

Lastly, as far as the issue of voluntary agreements to restrict the promotion of alcoholic products is concerned I tend to agree with the OFT analysis that agreements between economic operators, such as supermarkets and others, aimed at restricting the promotion of alcoholic beverages would need to be assessed in terms of the competition provisions of the EC Treaty, such as Article 81.

Additional Reflections

Finally, I think it is also worth drawing your attention to the evolving nature of the public health context. For example, a recent study undertaken by RAND Europe[74] explored the link between alcohol affordability, consumption and harm and came to the following conclusions:

(1) the real value of the EU alcohol minimum excise duty rates, and of Member States' (MS) alcohol taxation, has decreased since the mid-1990s in most EU countries;

(2) alcoholic beverages have become more affordable in most EU countries since the mid-1990s—in some countries by over 50%; and

(3) there is a positive relationship between alcohol affordability and alcohol consumption in Europe, and between alcohol consumption and traffic injuries, traffic deaths and liver cirrhosis.

I hope that these reflections will be useful in your inquiry. We await the outcome with interest. Please do not hesitate to contact me if you need more information.

Robert Madelin
Director-General

26 June 2009

Memorandum by HM Treasury (AL 72)

ALCOHOL DUTY

1. The Health Select Committee have requested information from the Treasury on the following issues:

— alcohol taxation, looking at trends in tax policy over the last decade and considering the consequences of changes such as lower taxes on low alcohol drinks such as beer and increases on higher alcohol content drinks;

— estimates of the elasticity of demand for alcohol; and

— the pros and cons of minimum pricing (this area is a Department of Health lead, as such we have not provided evidence on this issue).

Trends in Alcohol Taxation

2. Over the last 10 years, there have been several changes to UK alcohol duty rates. These changes are summarised in the table below.

	Beer and wine duty	*Spirits duty rates*	*Cider duty rates*
1999	Increased in line with Retail Price Index (RPI)	No change	No change
2000	Increased in line with RPI	No change	Increased in line with RPI
2001	No change	No change	No change
2002	No change	No change	2% decrease
2003	Increased in line with RPI	No change	No change
2004	Increased in line with RPI	No change	No change
2005	Increased in line with RPI	No change	No change
2006	Increased in line with RPI	No change	No change
2007	Increased in line with RPI	No change	Increased in line with RPI
2008 Budget (March)	6% increase above RPI	6% increase above RPI	6% increase above RPI
2008 PBR (December)[1]	8% nominal increase	4% nominal increase	8% nominal increase
2009	2% nominal increase	2% nominal increase	2% nominal increase

[1] The increases in December 2008 were introduced to offset the impact on the price of alcohol products of the reduction in the standard rate of VAT announced at the same time.

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[74] RAND Europe (2009), "The affordability of alcohol beverages in the European Union: understanding the link between alcohol affordability, consumption and harm" available on http://ec.europa.eu/health/ph_determinants/life_style/alcohol/documents/alcohol_rand_en.pdf

3. In addition to this, there were two main changes to the structure of alcohol duty during this period:

— A relief for small producers of beer was introduced in 2002. This offers a 50% concession on the main beer duty rate for breweries producing less than 5,000 hectolitres per year and a tapered concession for breweries producing more than 5,000, but less than 30,000 hectolitres. In 2004, the tapered relief was extended to breweries producing less than 60,000 hectolitres.

— In 2002, the legislation was amended so that the duty charged on Ready to Drinks (RTDs—"alcopops") is based on the type of alcohol used in their production. Spirit based RTDs were then more highly taxed as spirits rather than as wine (as they had been since 1988).

Change in Tax Policy on Lower or Higher Strength Drinks

4. Alcohol duty rates and structures in the United Kingdom must comply with European Directives on the structure and minimum rates of alcohol duty. These are implemented in UK law by the Alcoholic Liquor Duties Act 1979 (ALDA 1979).

5. Under this legislation, beer and spirits must be taxed in direct proportion to the alcohol they contain. For example, the duty on a pint of beer at 6% alcohol by volume (abv) is 56p per pint, double the duty charged on a pint of beer of 3% abv. Wine and cider must be taxed in strength bands. A table showing the current duty rates is attached at Annex A.

6. EU law constrains what can be done with duty to tax higher strength products compared to lower strength alternatives. It is possible to tax some different products at different rates; this is reflected in the UK where spirits are taxed much more heavily per unit of alcohol than beer and wine.

Low strength options

7. Member states do have discretion in some areas. For example, it is possible to charge lower tax rates on beer products below 2.8% abv. Beer of this strength or below currently accounts for a tiny proportion (less than half of one percent) of total beer consumption in the UK.

8. Introducing an exemption for products below 2.8% could cause a change in behaviour. Alcohol manufacturers could introduce different products and consumers may respond by changing their consumption pattern. This would result in a revenue loss to the Exchequer but evidence on the likely size of these behavioural responses is scarce, and therefore the amount of revenue lost would be difficult to estimate.

Estimates of the Elasticity of Demand for Alcohol

9. HMRC uses elasticities to estimate the how consumers change their behaviour in response to changes in alcohol prices and the impact this will have on Government revenues.

10. When these elasticities are used to assess the impact of alcohol duty changes on revenues, it is assumed that duty changes are fully passed through to consumer prices. This is a cautious assumption because in practice duty increases are not always passed on to consumers. This is particularly the case in the off trade (supermarkets) where duty levels may not strongly influence end price.

11. These elasticities used by HMRC were estimated by Huang (2003) using historic data from 1970 to 2002 on alcohol consumption and prices in the UK. The estimates—and the methods underlying their estimation—are available in a published Government Economic Service working paper.[75]

12. These elasticities are estimated separately for beer sold in the on and off trades, spirits and wine and cider. In addition to estimating how alcohol consumption responds to changes in the price of that product (eg the impact of changes in beer prices on beer consumption), the impact of changes in the price of one alcohol product on consumption of another is also estimated (eg the impact of changes in cider prices on beer consumption).

13. In 2008, Department of Health commissioned the University of Sheffield to quantify the potential impact of policies targeting pricing and promotion of alcohol on alcohol related harm in England. The study used UK data on alcohol consumption of around 7,000 individuals between 2001–02 and 2005–06. Alcohol elasticities were estimated as part of this study.

14. The main alcohol trade associations also produce their own estimates of alcohol elasticities. In particular, the British Beer and Pub Association (BBPA) commissioned Oxford Economics in 2008 to estimate their own elasticities for beer.[76]

[75] http://www.hmrc.gov.uk/research/alcohol-demand.pdf
[76] http://www.beerandpub.com/documents/publications/industry/Oxford%20Economics%20Alcohol%20Industry%20finaql%20report%2024%20feb%202009.pdf

15. The following table compares the own-price elasticities (ie how consumption responds to changes in the price of that product) from these three sources. For example, HMRC estimate that a 1% increase in the price of on-trade beer reduces consumption of on-trade beer by 0.48%.

Alcohol type	*University of Sheffield (Commissioned by the Department of Health)*[1]	*HMRC*[2]	*Oxford Economics (Commissioned by the alcohol industry)*[3]
Beer on trade	−0.50	−0.48	−1.50
Beer off trade	−0.52	−1.03	−1.00
RTDs on trade	−0.36	−0.30	N/A
RTDs off trade	−0.38		
Spirits on trade	−0.23	−1.31	−1.73
Spirits off trade	−0.62		
Wine on trade	−0.33	−0.75	−0.99
Wine off trade	−0.58		
Cider on trade	N/A		−2.00
Cider off trade			−1.50

[1] "Independent Review of the Effects of Alcohol Pricing and Promotion: Part B Modelling The Potential Impact Of Pricing And Promotion Policies For Alcohol In England: Results From The Sheffield Alcohol Policy Model Version 2008(1–1)".

[2] "Econometric Models of Alcohol Demand in the United Kingdom", Government Economic Service Working Paper No. 140, May 2003.

[3] "The economic outlook for the UK drinks sector and the impact of the changes to excise duty and VAT announced in the 2008 Budget and Pre-Budget Report", February 2009.

16. Analysis done by Oxford Economics finds that alcohol consumers are substantially more price sensitive than other studies. The Department of Health and HMRC elasticities for on-trade beer and RTDs are very similar but their Wine and Spirits elasticities differ substantially.

17. These reports pursued different approaches meaning that it is likely that there will be differences. There are a number of reasons for these:

— *The focus of the work was different.* The University of Sheffield work sought to understand the impact of price changes on health, crime and other harms from the consumption of alcohol. The HMRC work focused on understanding revenues and so focused on the volume of alcohol consumption.

— *The data sources and modelling approaches differ.* The HMRC work looks at time-series data from a period of over 30 years and the University of Sheffield work modelled the impacts of price changes from cross-sectional data over a period of five years.

— *Consideration of substitution effects.* The elasticities derived will depend upon how substitution effects are treated. In response to an increase in price, consumers may choose to "trade down" (eg picking a cheaper brand), change to a different product (eg drinking spirits rather than beer), or cease consumption. The Oxford Economic work focused on the market for beer whereas the HMRC and University of Sheffield work looked more broadly at all alcohol products.

July 2009

Annex A

UK DUTY RATES BY PRODUCT TYPE AFTER BUDGET 2009

	2009–10
	Rate per litre of pure alcohol
Spirits	£22.64
Spirits-based RTDs	£22.64
Wine and made-wine: Exceeding 22% abv	£22.64
	Rate per hectolitre per cent of alcohol in the beer
Beer	£16.47
	Rate per hectolitre of product
Still cider and perry: Exceeding 1.2%—not exceeding 7.5% abv.	£31.83
Still cider and perry: Exceeding 7.5%—less than 8.5% abv.	£47.77

	2009–10
Sparkling cider and perry: Exceeding 1.2%—not exceeding 5.5% abv.	£31.83
Sparkling cider and perry: Exceeding 5.5%—less than 8.5% abv.	£207.20
Wine and made-wine: Exceeding 1.2%—not exceeding 4% abv.	£65.94
Wine and made-wine: Exceeding 4%—not exceeding 5.5% abv.	£90.68
Still wine and made-wine: Exceeding 5.5%—not exceeding 15% abv.	£214.02
Wine and made-wine: Exceeding 15%—not exceeding 22% abv.	£285.33
Sparkling wine and made-wine: Exceeding 5.5%—less than 8.5% abv.	£207.20
Sparkling wine and made-wine: 8.5% and above—not exceeding 15% abv.	£274.13

NB. VAT applies to the total post-duty price of a product, so that any increase in duty will also result in an increase in the amount of VAT that product attracted.

DUTY PER PRODUCT AFTER BUDGET 2009

	Duty after Budget 2009
Pint of Beer @ 4.2% abv	39p
Bottle of wine	161p
Bottle of spirits @ 37.5%	594p
Bottle of whisky @ 40%	634p
Bottle of sparkling wine	206p
Litre of cider	32p

Memorandum by the Department for Culture, Media and Sport (AL 73)

POLICY CONTEXT

1. The Department for Culture, Media and Sport is the Government Department responsible for licensing policy, law and regulation. In taking forward this work, the Department is guided by Departmental Strategic Objective 3: Economic impact—Maximise the economic impact of its investment, improving value for money, taking full advantage of the contribution these sectors make towards the Government's long-term goal of raising productivity and protect consumers through proportionate and effective regulation.

2. The Department also works closely with the Home Office and the Department of Health in supporting their delivery of PSA 25:

— Reduce the harm caused by alcohol and drugs (lead Department Home Office)

LICENSING ACT HISTORY

3. In 1998, George Howarth, the responsible Minister in the Home Office, announced a review of the liquor licensing laws. This involved all key stakeholders: the police, magistrates, local authorities, industry and groups such as Alcohol Concern. The review continued until 1999 and led to the White Paper published in April 2000.

4. Also in 1998, a sub-group of the Better Regulation Task Force (BRTF), chaired by the Association of Chief Police Officers, reviewed the licensing laws. Their work led to the BRTF's report "Licensing Legislation", published in 1998.[77] It recommended that the Government should reform the alcohol and public entertainment licensing laws; deregulate licensing; allow greater flexibility; and transfer responsibility from the magistrates to local authorities.

5. The White Paper, "Time for Reform: Proposals for the Modernisation of Our Licensing Laws"[78] was published on 10 April 2000 for a three month public consultation which generated just over 1,200 responses.

6. In May 2001, the then Home Secretary announced his intention to legislate to reform the laws with only minor adjustments to the original White Paper proposals. On 8 June 2001, the Government transferred responsibility for licensing policy to the Department for Culture, Media and Sport.

[77] http://archive.cabinetoffice.gov.uk/brc/upload/assets/www.brc.gov.uk/legislation.pdf
[78] Cm 4696.

7. A Licensing Bill was laid before Parliament in November 2002 and the Licensing Act 2003 ("the 2003 Act") received Royal Assent on 10 July 2003. The Act applies only in England and Wales.

8. A transitional period, during which old licences were converted into new ones, took place between 7 February 2005 and 24 November 2005 when the 2003 Act came fully into force.

9. The Violent Crime Reduction Act 2006 amended the 2003 Act. As a result, in April 2007, new offence provisions were brought into force concerning "persistently selling" alcohol to children. In October 2007, new provisions came into force allowing for "fast track" reviews of licences where premises were associated with serious crime and/or serious disorder.

Background to the 2003 Act

10. The purpose of the 2003 Act was to modernise and replace a raft of licensing statutes, which concerned the licensing of the sale of alcohol; the provision of entertainment; and the provision of late night refreshment. The main statutes were:

— Schedule 12 to the London Government Act 1963.

— Licensing Act 1964.

— Private Places of Entertainment Act 1967.

— Theatres Act 1968.

— Late Night Refreshment Act 1969.

— Schedule 1 to the Local Government (Miscellaneous Provisions) Act 1982.

— Cinemas Act 1985.[79]

— Part 2 of the London Local Authorities Act 1990.

11. Essentially, the Act aimed to replace eight licensing regimes, governed by three different licensing authorities with a single regime under the administration of a single authority ("the licensing authorities"), which are mainly local authorities.[80]

Licensing objectives

12. The Act aimed for the first time to bring clarity to the purpose for which activities were to be regulated. The statutory purpose of the system introduced is to promote four fundamental objectives ("the licensing objectives"). Those objectives are:

(a) the prevention of crime and disorder;

(b) public safety;

(c) the prevention of public nuisance; and

(d) the protection of children from harm.

Other aims

13. Ministers also made clear that they hoped the Act would support a number of other key aims and purposes:

— more democratic arrangements for alcohol licensing with decisions devolved to locally elected councillors rather than the courts;

— the introduction of better and more proportionate regulation to give business greater freedom and flexibility to meet their customers' expectations;

— greater choice for consumers, including tourists, about where, when and how they spend their leisure time;

— the encouragement of more family friendly premises where younger children can be free to go with the family;

— the further development within communities of our rich culture of live music, dancing and theatre, both in rural areas and in our towns and cities;

— the regeneration of areas that needed increased investment and employment opportunities; and

— the necessary protection of local residents, whose lives can be blighted by disturbance and anti-social behaviour associated with some people visiting places of entertainment.

[79] Only in England and Wales—the 1985 Act continues to have effect in Scotland.

[80] The others are the Sub-Treasurer of the Inner Temple and Under-Treasurer of the Middle Temple, the Common Council of the City of London and the Council of the Isles of Scilly.

Licensable activities

14. The Act regulates the sale by retail of alcohol; the supply of alcohol by or on behalf of a club to a member of the club; the provision of regulated entertainment (including films, plays, live and recorded music and dance); and the provision of late night refreshment (hot food and hot (non alcoholic) drink after 11pm).

15. Types of premises affected by the 2003 Act include:

- Public spaces such as market squares, village greens or open fields.
- Concert halls.
- Theatres.
- Cinemas.
- Public houses and bars.
- Restaurants.
- Hotels and some guest houses and B&Bs.
- Nightclubs.
- Casinos.
- Bingo Halls.
- Canteens retailing alcohol.
- Supermarkets.
- Shops and convenience stores retailing alcohol.
- Department stores retailing alcohol.
- Garages retailing alcohol.
- Non-profit making clubs (including, sports clubs, political clubs (Labour, Liberal Democrat and Conservative Clubs), working mens' clubs, miners' institutes, ex-services clubs (eg Royal British Legion) and others.
- Village, church and community halls.
- Indoor sports complexes staging sports entertainments.
- Outdoor venues staging boxing and wrestling entertainments.
- Late night cafes.
- Late night "take aways."

16. The system of licensing is achieved through the provision of authorisations, which include personal licences, premises licences, club premises certificates and temporary event notices.

Personal licences

17. Personal licences authorise individuals to sell or supply alcohol, or authorise the sale or supply of alcohol, for consumption on or off premises for which a relevant premises licence is in force. A personal licence is not required where the licensable activities are confined to entertainment or late night refreshment.

18. To qualify for a personal licence an individual must be aged 18 or over, possess a recognised accredited qualification and be able to show that he has not been convicted of certain "relevant offences".

19. If a person has been convicted of a relevant offence, and taking into account the views of the police, the licensing authority can refuse to grant a personal licence if it considers that doing so would undermine the crime prevention objective. Personal licences last for ten years and are then renewable.

Premises licences

20. The premises licence details operating conditions relating to the use of the premises for licensable activities. The purpose of these conditions is to regulate the use of the premises for licensable activities in line with the licensing objectives. They will vary according to the risks each individual premises presents to the achievement of the four objectives. In the case of alcohol, the old permitted hours have been abolished. In effect, the hours of trading for each premises are another condition which will vary according to the risks identified.

21. A premises licence has effect until the licence is revoked or surrendered, but otherwise is not time limited unless the applicant requests a licence for a limited period. There are no renewal procedures.

22. Representations may be made about an application for the grant of a premises licence; for example by local residents and businesses, the police, the fire authority and other public bodies with responsibility for environmental health, public safety, children, trading standards and planning.

23. Such representations must concern the promotion of the licensing objectives. Once the licence has been granted the same classes of persons and bodies may seek a review[81] of the premises licence and the conditions attaching to it should problems occur which present a risk to the licensing objectives.

Club premises certificates

24. Club premises certificates provide authorisation for qualifying clubs to use club premises for qualifying club activities. Such clubs tend to be, for example, political clubs, sports clubs, ex-services clubs, working men's clubs and social clubs with at least 25 members. The qualifying club activities are a subset of the licensable activities. They are the supply of alcohol by or on behalf of a club to a member of the club, the sale by retail of alcohol by or on behalf of a club to a guest of a member for consumption on the premises and the provision of regulated entertainment by or on behalf of a club for its members and guests. A qualifying club does not require a permission for late night refreshment or a Designated Premises Supervisor.

25. As with premises licences, the right to make representations on the application for a club premises certificate is given to a range of persons and bodies.

Temporary event notices

26. The 2003 Act established new arrangements for the carrying on of licensable activities at occasional or temporary events. These arrangements replace the multiple systems of "occasional permissions" and "occasional licences" which applied to the old alcohol and entertainment regimes.

27. They apply in relation to events with fewer than 500 people (including staff) attending at any one time. The new arrangements are based on a notification to the licensing authority of salient details of the event and an acknowledgement by that authority of the notification. To reflect the temporary nature of the events, these arrangements do not place organisers under the same obligations that apply in relation to those who regularly wish to undertake licensable activities on or from premises.

28. Such notices are subject to various limitations. These include:

- no more than 12 may be given for the same premises in a calendar year;
- in aggregate, the 12 temporary event notices given for the same premises may not exceed 15 days;
- no more than five TENs may be given by any individual (who does not hold a personal licence) in a calendar year;
- no more than 50 TENs may be given by a personal licence holder in a calendar year; and
- the duration of a temporary event may not exceed 96 hours.

29. TENs are given by community groups and organisations such as parent/teacher associations, as well as commercial organisations.

Licensing statistics

30. According to the DCMS Statistical Bulletin[82] as at 31 March 2008, there were 195,500 premises licences and 17,500 club premises certificates in force. There were 347,700 personal licence holders [all figures are modelled estimates based on responses from 97% of LAs].

- 179,400 licences and certificates in force were authorised to sell alcohol [based on responses from approx. 70% of LAs]:
  - 47,000 premises licences were authorised for off-sale of alcohol only.
  - 42,400 licences authorised on-sale of alcohol only, of which 7,800 were club premises certificates (eg political clubs, workingmen's clubs, British Legion etc).
  - 90,000 allowed both on and off sales, of which 9,200 were club premises certificates.
- 76,800 premises were licensed for late night refreshment.
- 112,400 premises licences and 13,500 club premises certificates were authorised for any form of entertainment.
- 6,700 premises had 24 hour licences. Of these:
  - 4,100 are hotel bars (which have always been able to serve their guests alcohol for 24 hours).
  - 1,300 are supermarkets and stores.
  - 700 are pubs, bars and nightclubs.
- Around 120,000 Temporary Event Notices were given in 2008–09, mainly by non-commercial organisations

[81] See section below: "Reviews"

[82] Bulletin covering the period to 31 March 2008 is available from the DCMS website: http://www.culture.gov.uk/reference_library/publications/5571.aspx . The 2008–09 data collection is currently underway and will be published on 30 October 2008.

Reviews

31. The 2003 Act allows interested parties—residents and businesses in the vicinity of the premises—and responsible authorities—such as the police and fire authorities—to ask the licensing authority to review premises licences and certificates if problems arise in relation to one or more of the licensing objectives. Licensing authorities have the power, on review of a premises licence or certificate, to suspend or revoke the licence, and/or to exclude specific licensable activities from the licence, and/or to modify operating conditions attaching to the licence; and/or to require the removal of the designated premises supervisor (where one exists). These powers must be exercised only where they are necessary to promote the licensing objectives.

32. This graduated system of sanctions replaced the single choice available to licensing justices under the old alcohol licensing regime of either revoking a licence or doing nothing when problems arose. Justices were understandably reluctant to put individuals out of business and their staff out of jobs unless the issues were very serious. The new arrangements allow for a proportionate response to the issue before the licensing committee.

Closure powers

33. The 2003 Act confers powers on the police to close individual licensed premises to deal expeditiously with disorderly behaviour and excessive noise; these powers are both anticipatory and reactive. The police may also seek an order from the courts to close multiple licensed premises in a geographical area where disorder is either actually taking place or is anticipated. Powers to close licensed premises are also included in section 19 of the Criminal Justice and Police Act 2001 (to do with breaches of conditions at on-licensed premises) and sections 40 and 41 of the Anti-Social Behaviour Act 2003 (to do with noise nuisance).

Enforcement

34. The new regime is supported by a range of offences, inspection powers and enforcement provisions. Breach of a licensing condition is a serious offence which can render the holder of the premises licence (often a business) liable to a maximum fine of £20,000 or imprisonment up to six months or both.

35. Fines for selling alcohol to children under 18 were increased fivefold by the Act to a maximum of £5,000.

36. Fines for selling alcohol to people who are drunk were doubled by the Act to a maximum of £1,000.

Selling alcohol to children and purchase of alcohol by children

37. Under the old alcohol licensing regime, the laws governing sales of alcohol to children applied only to licensed premises. The 2003 Act made it an offence to sell alcohol to children under 18 anywhere and abolished the arrangements which had made it lawful to sell alcohol to children in:

— almost 20,000 non-profit making members' clubs;

— on river and coastal cruises; and

— on trains.

38. Provisions which had allowed children over five years to consume alcohol in around 25,000 restaurants and in areas in public houses away from the "bar area" (such as the beer garden) were also repealed.

39. It had also been lawful for children aged 16 or 17 years to purchase and consume beer, porter and cider where they were consuming them with a table meal. These provisions were replaced with new provisions which allowed children aged 16 and 17 to consume (but not purchase) wine, beer and cider with a table meal where they are accompanied at the meal by an adult that had purchased the alcohol.

40. Test purchasing of alcohol sales to under 18s under the authority of the police or trading standards officers was first made lawful by the Government in the Criminal Justice and Police Act 2001. These provisions were continued in the 2003 Act and have become central to campaigns since 2004 to tackle unlawful selling to children. Overall, the test purchase failure rate has fallen from 50% in 2004 to 15% in 2007.[83]

41. The most recent data on consumption by 11–15 year olds is contained in "Drug Use, Smoking and Drinking Among Young People In England in 2007".[84] It reports that the proportion of 11–15 year olds who have never drunk alcohol has risen in recent years from 39% in 2003 to 46% in 2007. There has been a corresponding decline in the proportion of pupils who have drunk alcohol in the last seven days from 26% in 2001 to 20% in 2007. But for those who do drink, the amount they drink is increasing.

[83] http://press.homeoffice.gov.uk/press-releases/underage-sales-down
[84] http://www.ic.nhs.uk/webfiles/publications/sdd07/SDD%20Main%20report%2007%20%2808%29-Standard.pdf

THE EFFECT OF THE LICENSING ACT 2003 AND THE PROGRESS THAT HAS BEEN MADE IN ESTABLISHING CONTINENTAL-STYLE CAFE SOCIETY

The effect of the Licensing Act 2003

42. An evaluation of the impact of the Licensing Act 2003 was completed and published on 4 March 2008. The evaluation included:

- an assessment of the impact of the Licensing Act 2003 on levels of crime and disorder (Home Office report);
- the views of ten licensing authorities—the "Scrutiny Councils" on how the new licensing regime is being delivered and whether it is meeting its aims—Scrutiny Council Initiative: Progress Report 2007;
- an assessment of the impact on terminal hour by market segment (ie actual closing times);
- an Independent Fees Review Panel to ensure the fees are set at the right level for local government and licensees;
- a review of the Guidance to licensing authorities and the police on the discharge of their functions under the Act;
- the first Licensing Statistical Collection for the new regime;
- the Live Music Forum's Report "Findings and Recommendations" (more detail is given in later in this Memorandum); and
- independent research to establish live music activity in England and Wales prior to and following the implementation of the 2003 Act.

43. The evaluation found there was clear evidence from a number of projects and official statistics that the negative forecasts about the impact of the new legislation had not materialised:

- There was no evidence of 24 hour drinking, with only a minority of premises securing 24 hour licences and very few actually utilising those hours. There have been only limited changes to actual opening hours.
- The overall volume of incidents of crime and disorder remained stable and has not risen.
- There was no evidence of increases in overall alcohol consumption.
- There was no serious adverse impact on the provision of live music.

44. The evaluation identified a number of positive trends that had emerged from the introduction of the new regime:

- Transfer of alcohol licensing to local authorities is viewed as a success.
- The alcohol licensing system is more democratically accountable and residents are better able to influence licensing decisions.
- There is much better partnership working between local authorities, the police and other responsible authorities and licensees.
- The new powers, including the ability to review licences, have been welcomed by local authorities and the police, and are being used to good effect.
- The administrative arrangements for the new regime appear to have delivered the administration cost savings to businesses, third sector and other licence holders of around £99 million a year.

45. There were, however, some aspects that the evaluation concluded required further attention:

- While some areas report improvements in dispersal from licensed premises because flexible opening hours have helped to smooth the peaks of trouble, there was no clear picture of consistent improvements in all areas.
- While there has been falls in serious violent crimes, the impact on overall crime levels appeared to be limited, with evidence of some displacement into the small hours.
- The use of the new legislation, in conjunction with other interventions and as part of a coherent strategy, varied between different authorities and areas.
- There had yet to be a discernible change in the diversity of evening and late night venues, although there was some evidence of good practice and success in certain areas.
- While benefits in terms of bureaucracy and red tape have been delivered, some stakeholders are experiencing difficulties, which suggest that the regime could be more proportionate in its application.
- While the impact on live music has been broadly neutral, reform has not led to the increases in events hoped for by Ministers, and the regime may be disproportionate for some types of live music events.

46. Several studies concluded that the impact of licensing cannot be considered independently of other factors. A report for the Alcohol Education and Research Council (AERC) published[85] in January 2008 found that:

> *"Assessing the impact of the Licensing Act 2003 will require time. Furthermore, in the light of other interventions—such as the development of local alcohol policies and strategies and encouragement to mount partnership, multi-agency responses to prevention and harm reduction—it is unlikely that change can be attributed to any one kind of intervention."*

47. The Home Office evaluation of the crime and disorder impacts found:

> *The main conclusion to be drawn from the evaluation is that licensing regimes may be one factor in effecting change to the country's drinking culture—and its impact on crime—but they do not appear to be the critical factor. They key issue is how they interact with other factors.*

Café culture?

48. While the development of a "continental style café culture" was often used as shorthand for the aim of the new licensing regime, and specifically the abolition of centrally set closing times, this does not accurately reflect the intentions behind the legislation. The White Paper made no reference to "continental style café culture".

49. Several of the aims of reform which were set out in the White Paper relate to changes in the type and diversity of licensed premises:

- — the encouragement of more family friendly premises where younger children can be free to go with the family;
- — greater choice for consumers, including tourists, about where, when and how they spend their leisure time; and
- — the regeneration of areas that need the increased investment and employment opportunities that a thriving and safe night-time economy can bring.

50. The evaluation of the impact of the 2003 Act found statistical data to suggest there had been some changes in actual opening times to respond to customer demand. It also found some anecdotal evidence that customers are choosing to stay local rather than travel into town and city centres as the new legislation has given those local premises greater opportunity to respond to customer demands. However, the evaluation found limited evidence to point to greater diversity in the types of premises and concluded that it might still have been simply been too early for such changes to have fed through.

51. A report by the University of Westminster[86] felt that, while there had been some changes in the diversity of premises, this was not due to the Licensing Act. It also reported that the smoking ban was considered by operators and others as potentially having a greater impact in relation to a shift in focus to food and families. There had been a shift to suburban and regional venues, but it was not clear whether a trend towards local pubs has occurred at the expense of city centres.

52. Information supplied by one of the DCMS Scrutiny Councils, Birmingham, suggested that the new legislation had played a part in increasing diversity, building on improvements that begun with the Business Improvement District designation for the Broad Street area:[87]

> *"In some areas, such as the Broad Street area of Birmingham, good partnership working and the introduction of a cumulative impact policy combined with many of the measures listed above, has delivered real results. Broad Street was traditionally a 'no go' area for people aged over 24, but as a result of the council's licensing strategy, is now attracting older people with a consequent reduction of 53% in reported violent crime during 5 December compared with the same period in the previous year. Some of the licensed premises that previously attracted under age drinkers etc. have converted to cafes and restaurants and the Broad Street Pubwatch scheme has been re-launched as 'Leisurewatch' to reflect the more diverse night time economy."*

53. More recently, the Association of Licensed Multiple Retailers' written evidence[88] to the Culture, Media and Sport Select Committee's inquiry into the Licensing Act suggested that the move to a single premises licence for multiple licensable activities has encouraged the development of hybrid businesses, with adaptable social spaces and providing a number of services within the same venue. In addition, references to the ALMR's Annual Industry Benchmarking Report suggested that the legislation has encouraged a shift towards a more café-style, seated operation in which food is as important as alcohol sales.

54. That Committee's own assessment[89] was that the major impetus for changes seen in licensed venues appears to have come from consumer choice and market forces. However, it felt that without the alterations to the licensing regime introduced by the Licensing Act such changes might not have been possible.

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[85] Implementation of the Licensing Act 2003:A national survey—http://www.aerc.org.uk/documents/pdfs/insights/AERC_AlcoholInsight_0054.pdf?zoom_highlight=implementation+of+the+licensing+act+2003+a+national+survey

[86] http://www.ias.org.uk/cci/cci-0707.pdf

[87] http://www.culture.gov.uk/images/publications/ScrutinyCouncilFinalreport0706.pdf

[88] http://www.publications.parliament.uk/pa/cm200809/cmselect/cmcumeds/492/8111102.htm

[89] http://www.publications.parliament.uk/pa/cm200809/cmselect/cmcumeds/492/492.pdf

55. The successful interaction between licensing policies, other interventions and market forces was a key focus for the Beacon Council theme "Afterdark",[90] the winners of which were announced in March 2009 and identify good practice in the development of a thriving, diverse, accessible and safe night time economy.

56. Ministers never claimed that the Licensing Act 2003 would provide automatic solutions, nor that one piece of legislation alone could tackle the long standing problems in many of our towns and cities. As the then Secretary of State noted prior to the 2003 Act coming into force:

> *"No one is claiming—I am certainly not—that the Licensing Act alone will heal all the problems of alcohol and alcohol-related crime. However, we will not achieve a solution for the problems that we face without that Act, which is part of a bigger jigsaw of pieces that must be put in place if we are to make progress. The 2003 Act directly complements the alcohol harm reduction strategy, which was published last March and aims to reduce significantly the harm that alcohol causes…*
>
> *…Before recapping briefly what the new Act will do, let me make it clear what it will not do. It does not promote or encourage 24-hour drinking. That is a myth. It promotes flexible hours as a means of reducing the pressure of last orders."*
>
> Tessa Jowell, Secretary of State for Culture, Media and Sport, 25 January 2005[91]

The Pros and Cons of Changing the Guidance/Regulations Relating to Licensing, eg giving Local Authorities and Local People more Power to Reject and Revoke Licence Applications

57. A key aim of licensing legislation was to improve local accountability for licensing decisions and make the licensing system more accessible to local residents. This was a key reason for transferring alcohol licensing from the courts to local government.

58. The report by the ten Scrutiny Councils[92] asked by DCMS to monitor the initial impact of the new legislation found that an early benefit of the regime was better engagement of residents in the licensing process:

> *"Residents are much more aware of what they can do to resolve problems at a premises and licensees are much more aware of their responsibilities".*

59. A report by the Central Cities Institute of the University of Westminster[93] found that, the 2003 Act had provided benefits in terms of local accountability. The researchers suggested that:

> *"the changes in licensing had had a generally positive effect on community relations in the areas examined, with residents and local councillors alike feeling that they had more of a say in the process of granting and challenging licensing decisions."*

60. The Home Office report on the impact of the Act on levels of crime and disorder found that in three of the five case study areas there was a statistically significant fall since the introduction of the new regime in the proportion of residents who felt drunk and rowdy behaviour was a fairly or very big problem.

61. While the Government places great importance on the ability of local people to comment on licensing application that affect them, there is a balance to be struck and to ensure that processes and procedures are proportionate. For example, the request by the Parliamentary Legislative Reform committees in considering the Department's proposals for minor variations recommended a limited change to allow local residents the opportunity to comment on such applications. Whilst a reasonable, limited measure which Ministers were happy to accept, this still reduced the possible benefits of the change by £100–200 thousand per year on what would be only a limited number of applications. The Government believes that local authorities, local people and the police have sufficient opportunities to consider applications and that the key is to ensure that the proper partnership working is in place to make that happen.

62. The statutory Guidance produced under section 182 of the Act was revised in 2007 and the changes have been generally well received. This included clarification that local authorities can make Councillors aware of applications in their areas and that it is open to Councillors to seek the views of their constituents living in the vicinity of premises making applications.

63. However, the emerging message from various pieces of evaluation suggest there is scope for better use and understanding of the legislation and how it can be used to promote the licensing objectives. This may not require significant change to the statutory Guidance, but may instead take the form of guidance to enforcement authorities that, in due course, could be drawn together as a supplement to the Guidance.

64. Work will also need to be undertaken with Local Authority Coordinators of Regulatory Services (LACORS) and other partners to ensure responsible authorities understand the requirements of the Act. There may also be a need to revise and update guidance to applicants and residents and ensure that the courts are aware of the options available when convicting personal licence holders.

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[90] http://www.beacons.idea.gov.uk/idk/core/page.do?pageId=9399672
[91] http://www.publications.parliament.uk/pa/cm200405/cmhansrd/vo050125/debtext/50125-22.htm
[92] http://www.culture.gov.uk/images/publications/ScrutinyCouncilFinalreport0706.pdf
[93] http://www.ias.org.uk/cci/cci-0707.pdf

65. The first two years of licensing statistics indicate that there has been a steady increase in the number of licences which have been reviewed from around 800 in 2006–07 to over 1,000 in 2008–09. However, the number of reviews is not necessarily a good proxy for enforcement activity.

66. A strength of the new system is the ability of enforcement agencies to resolve issues without the need to go to a formal review. While this is an efficient and effective way to deal with many licensed premises, the number of licence reviews seems disproportionately low compared with, for example, the number of test purchase failures. There Government believes there may be more scope to encourage further use of the review powers.

67. That is why Ministers have proposed that local authorities adopt a yellow and red card approach to tackling problem premises. This is an attempt to ensure that the existing powers are used to their full effect and that this is visible to local people.

DCMS

July 2009

Memorandum by the Home Office (AL 74)

Social Costs of Alcohol Misuse

The Home Office estimates that the social cost of alcohol related crime and disorder in 2007–08 was between £8 billion and £13 billion.[94] This estimate takes into account the costs in anticipation of crime, the direct physical and emotional costs to victims, the value of lost output, and the costs to the health service and Criminal Justice System. It is estimated on the basis of attributable fractions calculated from the Offending, Crime and Justice Survey.

However, this estimate is likely to be an underestimate, as we do not know what proportion of the £3.4 billion cost of anti-social behaviour[95] is alcohol-related. This estimate also excludes any social costs associated with the fear of crime.

Home Office Strategies

In June 2007, the Home Office, along with the Department of Health, the Department for Education and Skills and the Department for Culture, Media and Sport, published Safe. Sensible. Social. The next steps in the National Alcohol Strategy. In the strategy, we identified three priority groups for action: young people under 18 who drink alcohol, 18–24 year old binge drinkers, and harmful drinkers. The strategy set out a number of key actions which have since been implemented, including rolling out local alcohol strategies, conducting an independent review of how alcohol is sold and promoted, piloting Alcohol Arrest Referral schemes and launching the award-winning "Know Your Limits" campaign.

In June 2008, the Department for Children, Schools and Families, the Home Office and the Department of Health published the Youth Alcohol Action Plan (YAAP). This set out measures to address drinking by young people, including working with the police and courts to tackle drinking in public, providing clear information for parents and young people, and working with the industry to tackle underage sales and to promote the responsible sale of alcohol.

Enforcement of Existing Legislation

We share concerns about the effective enforcement of existing legislation and have a programme of work in place to address this. Last year we trained over 1,300 front-line practitioners in the full range of alcohol related tools and powers available to them and we have recently begun a series of 40 workshops to train a further 2,000 to 2,500 practitioners in our priority areas. Earlier this year we spent £1.5 million on targeted enforcement campaigns in the 40 to 50 areas of most concern to us, that is those areas with high levels of alcohol related crime and high public perceptions of drunk or rowdy behaviour, and we have also spent a further £3 million supporting local alcohol related partnership activity.

In relation to the offence of selling alcohol to someone who is intoxicated, enforcing this legislation is particularly difficult as it requires the police to be present when the sale is made. Large-scale enforcement would therefore be extremely expensive and is impractical. Instead, we believe that it is more effective to focus on training those serving alcohol to spot and deal with those who are intoxicated and we are working closely with the industry through schemes such as Pubwatch and Best Bar None to achieve this. We are also considering the issue of training in our public consultation on the new code of practice for alcohol retailers.

July 2009

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[94] Impact Assessment of a Code of Practice for the Alcohol Industry, Home Office.
[95] One day count of anti-social behaviour, Home Office.

Supplementary note from the Home Office (AL 74A)

PART 3—ALCOHOL MISUSE

Policy Background

Part 3 makes a number of amendments to alcohol powers to:

— Target those businesses that sell alcohol to young people by amending the Licensing Act 2003 so that an offence is committed if alcohol is sold to an individual under the age of 18 on two or more occasions within three months. The current offence is for three or more sales within a three month period. This sends a strong message to retailers that selling to young people is unacceptable. (Clause 29)

— Enable police officers to confiscate open and sealed containers of alcohol from young persons in public places without the need to prove that they were consuming or intended to consume alcohol in a public place. This amendment to the Confiscation of Alcohol (Young Persons) Act 1997 Act promotes consideration of the safety and welfare of young persons by allowing the police to return, where appropriate, individuals in possession of alcohol that are reasonably suspected of being under 16 to their home or a place of safety. (Clause 30)

— Create the new offence of persistently possessing alcohol in a public place, three times or more within a 12 month period, to tackle the anti-social behaviour, harm to self, crime and disorder associated with unsupervised drinking in public by persons under the age of 18. Persons under 18 in breach of this offence are liable to prosecution for which the maximum punishment is a level two fine (£500). (Clause 31)

— Enable the police to issue Directions to Leave to persons aged between 10 and 15 as well as to those aged 16 and over. This amendment also promotes the safety and welfare of young people by allowing the police to return, where appropriate, individuals issued with a Direction to Leave that are reasonably suspected of being under 16 to their home or a place of safety. (Clause 32)

Key Issues

The welfare and safety of children issued with a Direction to Leave: Concerns have been raised about the dangers of moving young children into unfamiliar areas. Unfortunately young children are drinking in public and getting into trouble and the police need effective powers, such as Directions to Leave, to deal with these problems. We agree though that the child's welfare should be paramount and so clause 32 allows the police to take a child who they reasonably suspect to be under 16 home or to a place of safety if they have been issued with a Direction to Leave.

Criminalising young people: It has been suggested that Clause 31 unnecessarily criminalises young people. We agree that we should avoid criminalising young people where possible and so this new offence requires that young people are caught possessing alcohol in public without a reasonable excuse three times within a 12-month period. This new offence is necessary to deal with that small minority of young people who are regularly caught drinking in public and who are not deterred by simply having their alcohol confiscated. These people create significant problems for our communities and the police need to be able to deal with them effectively. The majority of young people who are not persistently drinking in public and who are caught once or twice will rightly not be criminalised and instead they will have the opportunity to benefit from non-criminal interventions, such as Acceptable Behaviour Contracts, to try and nip their drinking in the bud.

Concerns about the disproportionate use of Directions to Leave: The government has listened to concerns about the potential for this power to be used disproportionately but we believe that Directions to Leave are an important tool in preventing alcohol related crime and disorder. We believe that the existing safeguards strike the right balance between protecting the individual's rights and effectively tackling these problems, and are compatible with the European Court of Human Rights. The Home Office has issued clear guidance to the police on the use of this power which will be updated in light of Clause 32.

ALCOHOL—AMENDMENTS TO THE LICENSING ACT 2003

Policy Background

— Schedule 4 establishes the framework to allow the Secretary of State, by order, to introduce up to nine mandatory licensing conditions that could apply to all premises and club premises licensed to sell or supply alcohol, although some exemptions may be made. These conditions will tackle the most irresponsible practices and promotions which encourage people to drink excessively and can often lead to crime and disorder.

— Between May and August, the Home Office ran a public consultation on the content of these conditions, which proposed five mandatory conditions including restrictions on "all you can drink" offers, "women drink free" nights and "dentists chairs". Over 7,000 responses were received and these are currently being considered. We aim to publish the results and our response around the New Year.

— The Bill also includes a new clause which will give members of licensing authorities the power to act as 'interested parties' which, in particular, will allow them to make representations as to the effect of granting a premises licence or to call for a review of an existing licence. This will give licensing authorities the powers that they and the Local Government Association have been asking for to allow them to take action pro-actively against irresponsible premises without having to wait for the police or others to complain.

KEY ISSUES

Costs to businesses

We recognise that there are concerns about the costs to business of introducing this new code but in doing so we want to ensure that the majority of businesses who do sell alcohol responsibly do not incur any significant costs, particularly in this difficult economic climate. This Bill limits the number of mandatory conditions to nine to ensure that they will be restricted to only tackling the most irresponsible practices and promotions. The majority of responsible premises do not operate these types of practices and so should face no cost from complying with these conditions.

Throughout the public consultation we asked respondents to supply evidence as to the likely cost of the proposed conditions and this will be fully considered before any final decisions about the content of the code are made.

Minimum pricing

The Government shares concerns about the impact of cheap alcohol. However, the current evidence on minimum unit pricing is inconclusive and the Sheffield review suggested that it would have minimal impact on reducing crime and disorder. We therefore need to do further research before we could take any action on price to ensure that it would be effective without unfairly penalising the majority of adults in this country who do drink responsibly.

In the public consultation on the code, we sought views on a number of options for dealing with cheap alcohol, including restricting irresponsible promotions, bulk-buy discounts and banning below cost selling. Over 7,000 responses were received and these are still being considered.

November 2009

Supplementary memorandum by Five by Five (AL 75)

FOLLOW UP CLARIFICATION FROM ALCOHOL ENQUIRY 9 JULY 2009

Further to the new media evidence session, there were three areas we wanted to clarify following Committee members' observations and requests and have the record reflect these responses.

1. Mr Hesford asked the ages of the two actors in the latest WKD digital campaign, *Kev "n" Dave*. He intimated that they looked closer to 18 rather than 25. We confirmed in the evidence session that all actors that appear in any WKD communications are always confirmed as over 25 and the average age of WKD actors in all communications is 28. The actors in question are 27 and 31 respectively.

2. Dr Stoate suggested that entering a leap year (February 29) date on the WKD Age Verification Page (AVP) would provide access to the content and intimated that this was not a secure way to stop under 18's accessing the content. Having clarified the issue with our technology team, the leap year defaults in the code to 1 March which is a standard, accepted practice. The important point being that if the total year indicates the user is under 18, they will not be granted access and will be diverted to the *Lets Talk About Alcohol* website. If they are over 18, they will be granted access to WKD content. We would contest that Dr Stoate was less than clear about which year he was inputting to the AVP and sought to highlight the leap year automatic adjustment. The approach we are taking with our AVP has been developed with the Portman Group guidelines and serves as an active deterrent to under 18's. We would like this information clarified for the record as there is no technical issue that entering any leap year date will grant access to WKD.co.uk.

3. The Chairman requested the Beverage Brands Digital Code of Practice during the evidence session. Karen Salters, Beverage Brands Joint Managing Director, provided a hard copy to the Chairman directly after the evidence session.

I hope the above clarifies the observations during the evidence session and we would welcome these clarifications being recorded for the committee.

Nicholas Gill
Head of Digital Planning & Analytics

14 July 2009

Supplementary memorandum by Molson Coors (AL 76)

I write to confirm the offer made during Simon Davies', Molson Coors UK Marketing Director, appearance before the Health Select Committee on Thursday 9th July, in connection with the issue known in the United Kingdom as "minimum pricing".

Mr Davies gave, in our view, a clear account of our marketing practices in response to members' questions. It is our view that our marketing and advertising practices, whilst constantly under review, demonstrate our determination to behave in a responsible manner and we welcomed the opportunity that your Committee provided to discuss these matters.

As you would expect, when Mr Davies was invited to appear before the Committee, the management of Molson Coors UK carefully considered the issues that were likely to arise. During our review of these issues, it became clear that one of the most controversial was likely to be that of "minimum pricing", also known as "social reference pricing". In consultation with our global colleagues, we felt that this may be an area where our Company's particular experience and expertise would be beneficial to put at the disposal of the Health Select Committee.

Molson Coors is both a family owned brewer and a global one. As such, we work with legislative and regulatory authorities around the world in addressing the public policy issues that arise from the nature of our products. As you may know, our Company has its roots in North America and operates in Canada under the Molson name. The Canadian federal system has meant that regulatory initiatives may be tried in one or more provinces and where possible, appropriate comparisons made between outcomes. During my twenty years in the brewing industry, I spent some time working for Molson in Canada myself. It was during this time that I became more aware of "social reference pricing" and its potential in addressing alcohol issues. Accordingly, on taking over as Chief Executive Officer of the Company's UK operations it seemed appropriate to me that we should look at this experience and assess whether it has something to offer in the UK context.

We do not know definitively whether the introduction of minimum pricing in the United Kingdom is the right way to go. As Committee Chairman, you will be well aware of the very diverse views on this subject. Price is, in our opinion, certainly not a sole or decisive factor in addressing alcohol abuse . Certainly there are no single measures that, by themselves, will solve the problem.

However, price may be a factor in extreme cases. In particular, where market distortions or failures lead to price competition such that it is considered a significant problem by groups such as the police, we wish to work with all interested parties in addressing the issue. We believe that a degree of "market failure" in the UK has occurred in the pricing of alcohol products at retail. Indeed, we note and appreciate the reference to this challenge in the evidence given on behalf of Tesco. As a general principle we support responsible behaviour in the context of a free market. However, we also know that markets are rarely perfect and that to maintain a healthy market place, market distortions should be addressed.

Therefore, while we generally do not support Government price controls, we believe that social reference pricing may be helpful in the exceptional case of extremely low prices in the UK. To this end, I have made a number of public comments suggesting that a more detailed examination of the issue of minimum pricing would be desirable and that we would wish to take an active part in such consideration.

So, it is in this context that I take pleasure in writing to you to confirm and reiterate the offer made to the Health Select Committee on Thursday 9 July to put at the Committee's disposal such expertise as we may have in Canada and around the world in this area. Further, if I can be of any further assistance to you I would be delighted to be so.

Molson Coors is a family brewer, I am a family man, behaving properly is an integral part of our collective and my personal commitment to operating to the highest standards. My Company and I are proud of our product and will champion it wherever we can. Part of that championing is to make sure that we actively seek new ways of ensuring that our product is always consumed responsibly. I am very pleased to be able to take this opportunity, on behalf of my Company, to offer every assistance to your Committee in its work.

Mark Hunter
Chief Executive Officer

21 July 2009

Supplementary memorandum by Beverage Brands (AL 77)

Further to the letter of 21 July, whilst we are keen to assist the committee in whatever way we can, I am afraid we do not have the specific information you have requested as we would not carry out such research for our brand.

However, we have looked at other available information which may be of help with the three questions you posed with regards to the consumption of RTD's (referred to as alcopops):

(a) Hazardous Drinkers

The Office of National Statistics Omnibus survey on "Drinking: adults behaviour and knowledge in 2008" shows that:

— RTD's only account for 2% of all alcohol consumed.

— Of those drinkers who exceed the recommended daily benchmarks, RTD's only account for an average of one unit per week of their consumption.

— With the exception of fortified wine, this is the smallest category in their drinking repertoire (the highest categories are beer and wine).

It should be noted that the above figures are from only one source of information, with a small sample size. Having said that, it does match category share of 1.4% from Nielsen Take Home April 2009/On Trade March 2009, including a decline of—12% year on year.

In this research, RTD's were attributed as having an average unit quantity of 1.5 per bottle (with rounding). In fact, we (and others in the category) have reduced our ABV so current unit contributions would be less, at 1.2 units per 275ml bottle.

As I stated in the evidence session (in response to Q804), it is very difficult for us to assess how our brand impacts on total figures when we know that these drinkers will purchase from a repertoire of categories.

Also, in our response to the Clerk on the question posed during the session, we have confirmed that if all our consumers were to drink 3 units of alcohol per day, our business would grow more than 20 fold.

(b) Harmful Drinkers

We do not have any information regarding harmful drinkers.

(c) People under the Legal Drinking Age

In terms of those people drinking under the legal age, we know from the ONS report "Smoking, Drinking & Drug Use among young people in 2008" that:

— Underage drinking is down from 26% of 11–15 year olds in 2001 to 18% in 2008.

— The general trends in types of drinks in this age group reflect those in the wider population.

I hope this helps the committee.

Deborah Carter
Marketing Director

3 August 2009

Memorandum by the Football League (AL 78)

The Football League and Carling

— Carling has sponsored the League Cup and been an Official Partner of The Football League since the beginning of the 2003–04 season. Carling has committed to continuing their involvement with the League Cup until the end of the 2011–12 season.

— The partnership between The Football League and Molson Coors (UK) is the longest running sponsorship relationship in domestic football. The current Carling Cup contract runs for nine seasons and previously the Worthington Cup ran for five seasons.

— The Carling Cup is a vital provider of income for football clubs throughout the League pyramid, with lower league clubs estimated to benefit to the tune of approximately £35 million. No other competition is as effective in spreading football's wealth throughout the whole professional game.

— Molson Coors (UK) was a founder member of the Portman Group, the industry's self-regulatory body, is one of the four largest financial backers of the Drinkaware Trust and recently launched the "Campaign for Smarter Drinking".

— The Carling website not only has an age verification page but also offers those who are under 18 a link to The Football League site, allowing them to access the content within The Football League environment. If a consumer enters an age under 18 they are directed to the Drinkaware website. Independent audit data from Nielsen Netview (Feb 2009) showed that 98.7% of visitors to the Carling website were over 18.

— Carling voluntarily took logos off children's football shirts in 2008 and through their sponsorship of football clubs promote responsible drinking through bespoke advertising campaigns. Carling has also donated pages in club programmes to promote Alcohol Awareness Week.

— Molson Coors use their partnership with the League Cup to raise monies for charitable causes. An example of this was recently seen in Burton, where fans donated to Mencap, Molson Coors UK's corporate charity, in return for having their photograph taken with the Cup.

— The present deal between The Football League and Carling gives The League joint approval of all usage of the Carling Cup brand.

The Football League and Alcohol at Football Matches

All Football League clubs are required to meet the 1985 Sporting Events (Control of Alcohol) Act that prevents:

— Drunken entry into a football ground.

— Consumption of alcohol within view of the playing area including, during the restricted period (15 minutes before the start of the event to 15 minutes after the end of the event), rooms within the ground from which the event may be directly viewed.

— The consumption of alcohol on certain coaches, trains and motor vehicles travelling to a designated football match.

The Football League and Alcohol Awareness Campaigns

As well as the Kickz project that includes elements of alcohol awareness, Football League Clubs, through the work of The Football League Trust, are working to raise awareness of alcohol issues across the country. These include:

Brighton and Hove Albion has been running an 11-a-side evening league throughout the summer, aimed at 14 to 20 year olds on the estates of East Brighton. Its success has enabled the club to secure a winter venue and a second pitch for the summer that will allow for the participation of around 50 to 60 young people every Friday night with a league consisting of up to eight teams. This league will be sponsored by RU-OK? (Alcohol and teenage health agency) in which messages about the effects of alcohol and safe use are given out in conjunction with the football and on team shirts. Partners for this project include the Crew Club, Sussex Police, East Sussex Fire and Rescue Service and Active 4 Life.

QPR has planned to hold an alcohol awareness match during drink awareness week this October. Working in conjunction with Hammersmith & Fulham Council and the PCT, the club aims to utilise QPR FC as a high profile medium for the campaign encouraging people to "Think before they drink". By highlighting avenues of support, QPR are hoping to improve the health of the local community. The chosen matchday will promote awareness through the club's website and programme whilst the players will wear related T-Shirts during the warm-up. Fliers and stickers will accompany a drop-in Drink Aware/PCT wagon and inside the ground a video of the effects of alcohol on a player will be shown on the big screen.

Chesterfield is intending to hold a project focused on alcohol-related anti-social behaviour, as a result of the high rate of hospital admissions related to alcohol in the area. The police, Chesterfield Art College and Chesterfield FC in the Community are backing the club-led campaign and a short film relating to alcohol induced problems is in discussion. The film, featuring cameos from players, will focus on encouraging young people to turn to football instead of alcohol by demonstrating the effects of anti-social behaviour. All of the organisations involved have agreed to publicise the video which will be uploaded onto YouTube.

Middlesbrough held a series of alcohol awareness sessions over a 10-week long period for the MFC in the Community's "Goal Getter" students. For two hours a day, four days a week, 12 students from the initiative who are on an Entry to Employment (E2e) programme at the club were taken through a series of alcohol-related exercises. The students were given a pair of "beer goggles" and instructed to guide a remote controlled car around a track with fake spectators to highlight the dangers of drink-driving. Still wearing the goggles, the students then had to partake in a penalty shootout—the majority missed the ball completely showing the severity of alcohol on coordination. Two sessions had to be added due to the popularity of the scheme.

Darlington FC Community Trust teamed up with the Darlington Drug and Alcohol Action Team, North-East Council on Addictions to offer an eight week programme coaching substance abusers. Home Office Minister, Vernon Coaker attended the launch of the Darlington Sports Initiative as part of the Government's £400 million investment in drug and alcohol programmes. The club and organisers hope that this scheme will boost the confidence and health of attendees, stopping them from abusing drugs or alcohol.

October 2009

Memorandum by Waitrose (AL79)

1. Introduction

1.1 Waitrose—the foodshops of the John Lewis Partnership—is co-owned entirely by 40,000 Partners (employees). Through our 215 UK branches we combine the convenience of a supermarket with the expertise of a specialist shop. Our co-ownership model makes us unique to other supermarkets and enables us to act in the interests of society—from our role as a long term employer to making an active contribution to the communities we trade in. Conducting our business with integrity is at the core of our involvement with local communities and our approach to responsible sourcing and trading.

1.2 In its terms of reference for the inquiry, the Committee invites views on the role of central government policy on alcohol, and on the role of industry. This memorandum focuses on those two specific issues.

1.3 We welcome the opportunity to contribute to the Health Select Committee's inquiry on alcohol.

2. Executive Summary

2.1 There is widespread debate and concern about Britain's drinking culture and the issues it poses to the health of the nation. We believe that a long-term and considered approach is required to confront this and facilitate behaviour change. While retailers have an integral and willing role to play in this significant challenge, a balanced and collaborative approach encompassing the Government, the drinks industry and consumers holds the key to success.

2.2 We fundamentally believe that as a responsible retailer we are part of the solution not part of the concern. This is reflected in our proactive and voluntary approach to engaging and informing our customers across all areas of health and nutrition. In doing so we consciously strike an effective balance between allowing customers to take personal accountability for their purchasing choices, whilst providing advice and information to encourage the responsible and healthy consumption of food and drink.

2.3 The majority of people consume alcohol in moderation as part of a healthy and balanced diet. Official data from HMRC and the Office for National Statistics highlights the fact that alcohol consumption in the UK is actually falling at a steady rate amongst males and females. However, there is a minority of the population (7%) that misuses alcohol. In the context of alcohol regulation, it is crucial that the majority of the population is not penalised unjustly when developing the Government's future national strategy for alcohol.

2.4 At the obvious heart of our responsible alcohol trading lies the Licensing Act 2003. As a retailer, we accept full liability for our legal obligations under the Act. It fosters an effective approach to alcohol trade and we do not believe that adding more powers is the most effective way to realise a safe, social and sensible drinking culture. This shift is more probable through a strong commitment to consumer engagement. A report commissioned by The Brewers of Europe has illustrated that increasing the Swedish alcohol policy with high prices and taxes has failed to meet the claimed objective of reducing both overall alcohol consumption and excessive drinking patters.

3. Our Responsible Retailing Approach

3.1 Waitrose is different from other supermarkets in the way that we approach retailing. Our co-ownership business model and Corporate Social Responsibility strategy is centred on our respect for the wellbeing and development of the communities we trade in. This way of working is firmly rooted in our approach to alcohol retailing. We have been formerly praised for this by the industry twice winning the Off Licence News Responsible Drinks Retailer Awards.

3.2 We work closely with the Home Office, Department of Health and NGOs, such as The Drinkaware Trust and The Wine and Spirit Trade Association, to adopt a collaborative approach to educating and informing our customers. This successful joint working leads to the sharing of best practice and a consistent approach to engaging our customers.

3.3 We adopt a voluntary approach to informing our customers' alcohol purchasing journey. This includes comprehensive advice on our website, unit information on our own label products and shelf edge ticketing. We were the first retailer to communicate alcohol units and safe limits since 2004 via shelf edge tickets. We consulted the Wine and Spirit Trade Association and the Drinkaware Trust to help devise this standard point of sale communication, which we provide below to inform the Committee. It is important

to ensure that information provided to consumers strikes the right balance between providing them with enough that they can make an informed decision and not providing them with so much that they feel confused or overwhelmed.

3.4 Our checkout operators play an integral role in our alcohol trade approach. They are trained in sales of age-restricted items at their induction and at six-monthly intervals thereafter. The training is provided through a variety of media such as online training, face to face training by their line manager and operational training in practice. All branches have access to an online internal information system which contains information on various aspects of the licence, law and sale of age related products to minors, and intoxicated customers. To further enhance our comprehensive checkout training programme, our systems are designed to support cashiers in the sale of age restricted products at the point of sale, for example age verification alerts. We also adhere to the "Think 21" initiative and undertake our own test purchasing activity.

3.5 Waitrose is also committed to age verification checks for online sales. We are working closely with the Wine and Spirit Trade Association to ensure our online checks are as stringent as possible. To enable the practical enforcement of age checks for online sales, we apply them at the point of sale. Where we deliver direct to the customer, we also verify at the point of delivery. However, this is not possible when deliveries are carried out by third party couriers as they are not willing to accept the training implications or liability for licensing legislation.

3.6 Working with stakeholders is an important part of our approach. We support the Wine and Spirit Trade Association, The Drinkaware Trust and The Portman Group. We have been a sponsor of the Drinking & You website since 2000. We have provided alcohol and health advice on Waitrose Wines Direct website via Drinking & You since March 2003 and also on Waitrose.com.

3.7 We have been a signatory of the Portman Group Code of Practice for many years and have worked with CitizenCard to offer half price government-approved ID PASS logo cards (Proof of Age Standards Scheme). All branches have branded CitizenCard application forms available for customers.

3.8 We proactively engage with local stakeholders such as health professionals, the police, the local authority and the communities we trade in through our representation on the Retail of Alcohol Standards Group. This is with the joint aim of tackling alcohol misuse and shifting consumer behaviour, for example through Community Alcohol Partnerships (CAP).

3.9 Our promotional strategy also reflects our responsible approach. Whilst we do not sell beer and cider as below cost to drive customer footfall, we have on two occasions sold some fine wines below cost when they are part of a cross category promotion.

Alcohol forms a balanced part of our total food and drink offer and is positioned as such in our branch layout.

4. About Waitrose

4.1. Waitrose has 215 branches across the UK, dedicated to offering quality, value and customer service. We, and our sister company John Lewis, have taken the two top slots in the Which? Magazine Consumer Satisfaction Survey for the last four years and Waitrose has scooped more major wine awards than any other supermarket —most recently winning Supermarket of the Year 2009 at the Decanter World Wine Awards.

5.2 Co-owned entirely by its 40,000 "Partners", Waitrose combines the convenience of a supermarket with the expertise and service of a specialist shop. Waitrose is dedicated to offering quality food and drink that has been responsibly sourced, combined with high standards of customer service.

October 2009

Memorandum by the Premier League (AL 80)

ALCOHOL AND SPORT

INTRODUCTION

The Premier League represents the 20 Football Clubs at the top level of English football. It is wholly owned by the Clubs, organises and regulates the competition, and carries out certain commercial functions on behalf of the League as a whole. These functions include the selling of media rights and some sponsorship arrangements; however each Club remains in control of its own commercial activities including sponsorship.

Companies wishing to enter into sponsorship agreements can therefore do so on an individual basis with one or more Clubs, and/or enter into a commercial relationship with the Premier League itself where the intellectual property underpinning that relationship relates to the League as a separate identity.

Commercial arrangements with alcohol companies include:

— Pouring rights—the right to provide alcohol for sale at football grounds.

— Official supplier status—the right to be known as the official supplier to or commercial partner of a Club or the Premier League.

— Sponsor—the right to be recognised as a sponsor of the Club or the Premier League or of a specific Club or Premier League activity (such as sponsoring a website).

— Shirt Sponsor—the right for the name of the company to appear on the team shirts.

— Advertising—the right to commercially acquire advertising space in Club or Premier League media, such as matchday programmes, pitchside displays, websites, and display boards at grounds.

THE REGULATORY FRAMEWORK

The Premier League and all Premier League Clubs recognise and operate within the Portman Group and related Advertising Standards Authority regulations in this area although are not themselves signatories to the Portman Group itself (that is for the manufacturers and distributors of alcohol products). These means, inter alia, that advertisements cannot claim that consumption of alcohol contributes to social success, should not target the young, and should not encourage irresponsible or excessive use of alcohol. Clubs have also agreed to abide by the Portman Group decision to remove alcohol branding from child-size shirts.

All Premier League Clubs are Licensed Premises, therefore meeting the standards set by their local licensing authorities, in addition to meeting the extra requirements expected of football grounds. These include the requirement that alcohol cannot be consumed within sight of the pitch from fifteen minutes before kick-off until fifteen minutes after the end of the match. Control of drunkenness is a high priority for our Clubs in ensuring the safety and comfort of fans and staff in attendance on matchdays and is a key part of stewarding. The impact of alcohol consumption on fan behaviour is taken into account in determining kick-off times in discussion with the Police. All Clubs recognise the importance of operating with due regard to licensing and other obligations in this area and in any event, failures in this area would not be acceptable to the Local Authority Safety Advisory Committees which issue Stadium Safety Certificates.

THE PREMIER LEAGUE

Budweiser is a website partner of the Premier League and sponsors the Fantasy Premier League component of the site. The Premier League website does not carry Budweiser advertising beyond the brand name and logo and a link to Budweiser's own site.

PREMIER LEAGUE CLUBS

So far as we are aware all Premier League Clubs have a pouring rights arrangement. In addition, most Clubs have an official supplier/partner agreement in place. Two Clubs, Everton and Liverpool, have alcohol brand shirt sponsors (Chang and Carlsberg respectively), with Liverpool moving to a financial services shirt sponsor as of next season.

Alcohol advertising in Club media is always within the Portman Group/Advertising Standards Authority guidelines and generally includes reference to "drink aware" and other responsible drinking messages.

THE PREMIER LEAGUE'S GENERAL APPROACH TO ALCOHOL ADVERTISING AND SPONSORSHIP

The Premier League and its Clubs always seek to operate in a socially responsible manner. We have a conservative interpretation of compliance with Portman Group and related codes, seeking to be clearly within the rules at all times. We do not test the boundaries of those rules nor do we lobby to have them changed. During the consultation around the question of alcohol branding on child-size replica shirts we noted the absence of any evidence linking such branding with alcohol consumption by the young but nevertheless fully comply with the subsequent changes to the Code.

We recognise that alcohol consumption can be an issue of controversy in public policy but that legitimate consumption of alcohol is a widespread activity in the UK, undertaken in a moderate manner by large numbers of adults across the whole of society. Advertising alcohol is regulated and we consider that it is

appropriate for the Premier League and its Clubs to be active in this market provided that full regard is given to both the spirit and letter of the relevant regulations. Although income from alcohol-related sources is only a small proportion of total revenues it contributes to the continuing economic success of professional football in England. Deloitte estimate that total revenues of the 92 professional Clubs in the Premier and Football Leagues were over £2.5 billion in 2008–09. This income led to a contribution to Exchequer finances of around £860 million in that year. It is likely that with continued growth in income and with changes in tax rates the Exchequer contribution will reach £1 billion in 2010–11.

The economic strength of the Premier League allows for considerable re-investment in our Clubs, contributes to the public finances and supports substantial payments to lower league football, sporting grassroots and to corporate responsibility programmes. These programmes include extensive work with young people in the areas of anti-social behaviour and health, as well as social inclusion, anti-racism, employment, education, disability and volunteering. For example the Premier League is working with the Department of Health to train existing football coaches as fully qualified Health Trainers. These Health Trainers work with disadvantaged adults engaged in Club community activities and direct them into the relevant health services. Using the power of football and the Club image the coaches as trusted role models engage with these adults in a way that mainstream services cannot. These projects include dealing with alcohol abuse and dependence and their related problems. Similarly the Kickz scheme, a joint programme between football clubs and the Police to deal with anti-social behaviour currently being delivered by 19 Premier League Clubs, includes alcohol education and intervention initiatives. Alcohol awareness is also an integral component of the education programmes provided by our Clubs for scholars within their training Academies.

It is our view that the self-regulatory codes in the area of alcohol advertising and promotion are working well. Proposals for change should be evidence-based and be brought forward after proper consultation and should be proportionate to the problems identified. We will continue to respect the relevant regulations and to apply them effectively. We will also continue to develop and implement social programmes dealing with alcohol-related problems where the power of football can make a significant contribution.

28 September 2009

Memorandum by the National Union of Students (AL82)

Introduction

As the national body that represents 600 affiliated students' unions in both the further education and higher education sectors, the National Union of Students (NUS) represents over seven million students across the UK.

NUS works with students, member students' unions, external partners, and UK political processes to develop and implement our policy priorities. These priorities are determined by our democratic procedures.

Many students' unions, particularly those in higher education institutions (HEIs) also run their own licensed premises, which raised approximately £60 million in bar sales in 2008–09. NUS takes an interest in alcohol from the perspective of both responsible drinking and responsible retailing. We work to bring synergy to these roles in the creation and implementation of policy and best practice.

Summary

— Students' unions are by far some of the most responsible retailers of alcohol. We are nevertheless committed to working to ensure that individual irresponsible behaviour is replaced by sophisticated and innovative approaches to responsible retailing and drinking among students' unions and students.

— NUS is acutely aware that there remain significant numbers of students who do drink to excess, and we take our role in educating students seriously. We have long sought to encourage responsible drinking amongst students, as well as responsible retailing by students' unions. Negative perceptions to do with excessive alcohol and students persist, particularly in the media. There is no room for complacency in tackling these perceptions, which we believe contribute to the problem rather than attempt to find solutions to issues surrounding alcohol, which are endemic in wider society and are in no way the sole preserve or responsibility of students.

— NUS and our member students' unions have longstanding and ongoing working relationships with external partners to promote responsible drinking, including with organisations such as Drink Aware and the Portman Group, and retailers such as Diageo.

— We regularly send out materials on safe drinking to students' unions for use in local campaigns, and use initiatives like Best Bar None to promote, recognise and reward responsible retailing of alcohol by students' unions.

— NUS was engaged in and responded to the Department of Health's consultation, "Safe Sensible Social" to address issues such as units, labelling pricing, a mandatory code on alcohol retailing and the role of information, materials and campaigns and changing behaviour.

This document is broken down into three broad sections:

1. Students, Students' Unions and Alcohol
2. NUS and Students' Unions: Current and Future Work and Partnerships (NUS Training Healthy FE and Healthy HE, Drink Aware Corporate Social Responsibility, Best Bar None)
3. NUS Policy (Initiations, External Bar Crawls, Units and Labelling, Mandatory Licensing Code and Minimum Pricing, Education, Advertising and Communication and Alcohol Retail Policy Framework)

1. *Students, Students' Unions and Alcohol*

NUS does not wish to generalise with regard to students. As a group, students are not homogenous. Many are mature students, many are from overseas, and many are from a variety of different faith groups. Almost 60 per cent of students work during term-time, and most are acutely conscious of the need to get a good qualification. The traditional school-leaver student is in the minority, and the idea that all students are drinkers is inaccurate. Indeed, despite the popular perception of their behaviour, students report broadly similar spending on alcohol with the wider population.

Students' unions are on the whole responsible licensees. They are also evolving as the market they serve changes, with many creating alcohol free spaces, coffee shops and juice bars within their buildings to cater for the increasing number of students who choose not to drink alcohol.

Even amongst those who do drink, habits are changing. Full-time students are spending less on alcohol now than they were a decade ago—50% less in students' unions 2007 compared to 1997. When they do drink they are more likely to do so at home, having bought alcohol in supermarkets and off licenses, such sales have now exceeded spending in bars and clubs more generally. More problematically, when they do choose to go out, there is fiercer competition from local clubs and pubs, often part of large, national chains, many of whom aggressively target the student market with cut-price drinks promotions.

Any commercial profit made by students' unions in alcohol retail is reinvested in services: welfare advice, sports clubs and societies, volunteering projects, student media and a host of other activities. Students' unions want to act responsibly and most do: but the need to maintain sales in order to fund these important services has resulted in some students' unions using similar drinks promotions, which we know can contribute to binge drinking and consequently anti-social behaviour.

2. *NUS and Students' Unions: Current and Future Work and Partnerships*

NUS Training

NUS takes a leading role in setting an agenda on responsible drinking and retailing. As part of our annual series of summer training events for student officer we hosted sessions on responsible drinking, minimum pricing, irresponsible external bar crawl companies, initiations and protecting students on sports tours.

Healthy FE and Healthy HE

NUS is a member of the Healthy FE[96] and Healthy HE national groups and we are creating a range of campaigns that support this government agenda. NUS is particularly interested in securing funding to run a range of campaigns and initiatives that allow students to develop projects based upon a local need and issues A number of unions such as Portsmouth, Reading, Southampton Solent and UCL have engaged a number of students to act as fresher's reps—giving a range of advice on how to stay healthy, look after themselves and to promote responsible drinking.

Drink Aware

NUS is currently entering a new relationship with Drink Aware to establish to build on our past collaborative work and establish a more strategic partnership for the future. We are looking to run a range of long term campaigns including a responsible drinking version of the Best Bar None initiative, a range of fresher's week activities, an education program for the 14–19 agenda, a national training programme and some specific trend research in the student market. This year NUS are supporting the new Drink Aware campaign "Why let good times go bad?"—we are distributing campaign materials to all of our unions and encouraging students' unions to get active in this campaign.[97]

[96] http://www.excellencegateway.org.uk.|hfep
[97] http://www.drinkaware.co.uk/campaigns/why-let-good-times-go-bad

Corporate Social Responsibility

NUS is currently working to maintain and build upon strategic partnerships with many organisations to develop our joint work on alcohol. We have worked with Diageo and other drinks companies to address responsible drinking within union bars and external premises—we have worked with Diageo on the "Know what's in it?" campaign which has reached 750,000 students across 55 universities.[98] We have worked with Diageo on the "Are you on top of your game" campaign to promote responsible drinking to students and young adults across ten university bars in the UK.

Best Bar None

The Best Bar None is an awards scheme for licensed premises, currently running in over 80 locations across the UK.[99] It was developed by the Manchester City Centre Safe project to address alcohol related crime and improve the night time environment. It was felt that in order for progress to be made in delivering a safer night time economy, a new partnership approach was needed alongside more traditional law enforcement activity. Best Bar None schemes provide an incentive for the operators of licensed premises to improve their standards of operation to the level of a commonly agreed national benchmark.

Best Bar None is an accreditation and awards programme that was developed by Greater Manchester Police. It aims to shift the way of policing licensed outlets from "stick to carrot" and has lead to impressive reported reductions in alcohol related crime in the areas it has been adopted.

It has four sections covering the four licensing objectives of the Licensing Act 2003

Section A—Prevention of crime and disorder

Section B—Public Safety

Section C—Prevention of Public Nuisance

Section D—Protection of Children from Harm

NUS was the first other organisation to adopt the scheme in 2004. There are now 95 schemes running in various locations throughout the UK

NUS is still the only organisation to administer the scheme making awards on a national rather than regional basis. In the first year there were 49 entering students' unions with 32 gaining accreditation. And an average score of 68%. In 2008–09 we had 72 entrants all gaining accreditation. Scores have moved from an average of 68% in 2004 to over 86% in 2009.

The NUS Scheme measure 85 criteria using both off-site evaluation of documented policy and written procedures as well as an on-site assessment of operational standards and practice during trading. These criteria split into essential, desired and bonus points.

Any shortcomings in areas of legal compliance are highlighted to the outlet for immediate correction. A full report detailing each outlets performance and the average performance against that criterion is given to the outlet along with guidance on how to improve their score.

Awards are made in six regions, one most improved outlet and one national winner. The winners are based purely on the scores generated rather than any subjective judgement by sponsors or other judges.

We believe it not only ensure outlets have suitable policy and procedures in place but also that it serves to educate outlets on areas of weakness in procedure and delivery and to ensure that these are addressed in a cycle of continuous improvement.

3. *NUS Policy on Alcohol*

Student Initiations

NUS conference has voted to help individual students' unions to regulate dangerous and reckless initiation ceremonies in students' union clubs, societies and premises. This follows a number of high-profile cases, including those in which individual students have died.

Many students' unions across the UK have chosen to ban initiation ceremonies, while some have introduced policies that regulate their time, location and content of initiation ceremonies. NUS fully supports them in doing so.

NUS' best practice guide for students' unions will include ways to monitor and deal with initiations and how to educate students on the dangers of alcohol fuelled initiations.

External Bar Crawls

A great concern for NUS and students' unions are a number of companies operating organised bar crawls, such as Carnage UK, which actively encourage irresponsible drinking and a binge culture amongst its participants.[100] These have been widely documented in the media during fresher's weeks. Although students' unions are rarely involved with these events, and despite the fact that NUS condemns them, they add to the

[98] http://www.diageo.com/en-row.CorporateCitizenship/PromotingResponsibledrinking
[99] http//www.bbnuk.com/
[100] http://www.carnageuk.com/

negative views of student drinking and of students in general. Many students' unions have individual policies on external bar crawls and specifically on Carnage UK. We believe local authorities should use their existing powers to clampdown on them wherever possible.

NUS has a vision of a society in which responsible drinking is the norm, and where young people, students and students' unions are not viewed in a negative light because of excessive alcohol consumption, both perceived and real. We do not want a drinks trade that promotes binge drinking amongst young people and whose tactics put pressure on students' unions to follow suit. We do want a student population who not only know the risks of excessive alcohol consumption but can accurately judge their own intake and act responsibly—and without blanket bans on alcohol off-sales purchase for younger people such as that proposed in Scotland.

Units and Labelling

Consumers must be educated as to the units in their drinks, and despite the launch of information campaigns such as Know Your Limits, NUS is concerned that most still lack sufficient awareness of the units system or its significance. The confusion that arises from unit limits being quoted variously in terms of number per week or number per day, as well as the different amounts between genders, compounds this problem.

As a result the number of units listed on a container of alcohol can have little meaning, especially on large bottles of spirits where the entire unit content of the bottle is listed rather than the number of units per measure. And even when consumers do have some understanding of the unit system, the alcohol content of drinks can change (eg Jack Daniel's), and render the previous understanding obsolete.

Whilst NUS supports the principle of alcohol unit labelling, we are concerned that at present it will have little of the desired impact whilst the units system is so little understood. Any system therefore has to be supported by higher profile, innovative campaigns to educate the public on the units system and what it means for them as an individual.

Mandatory Licensing Code and Minimum Pricing

NUS would welcome the introduction of a mandatory code on alcohol retailing, as we believe that voluntary codes are proving ineffective. It only takes one bar or supermarket to opt out of a voluntary code in a particular area for pressure to be put on other retailers to abandon the code in similar fashion. Such a code would also reinforce the good work many students' unions undertake.

We would also suggest the Government looks at ways of including in the code companies who organise bar crawls and other similar events at a variety of licensed premises, given the impact that they have on local communities, and the health and well-being of the participants.

The content of any code should be carefully considered, and as suggested in the consultation document, the Government should ensure any provisions are discussed in detail through a future consultation. As part of this code we believe the Government should consider the inclusion of minimum pricing of alcohol, particularly for supermarket off-sales, but also where bars are concerned, at least in respect of the promotions they are allowed to use.

Such a minimum price should not be a blunt instrument; it should take into account the strength and the amount of units in one serving. For example, the price could increase with the strength of the drink, so as to encourage consumers to choose weaker alternatives, and different approaches could be designed for different types of drink like beer, wine or spirits.

Any code should also ensure premises have effective training for staff, and strategies to deal with vulnerable people who consume too much alcohol on the premises, so that they are not merely ejected from the building and left to their own devices. However it is imperative that any proposals on staffing are carefully considered and implemented so as not to impact on the employment prospects of part-time workers, many of whom will be students and who will rely on earnings from bar work to see them through their courses.

We also believe the Government should examine some other approaches, such as giving premises greater flexibility at the end of the evening to extend the "drinking up" period from 15 minutes to one or even two hours, with music still being played and water, soft drinks and food still being served. This would allow for a longer, safer period of dispersal, and for consumers to be less intoxicated when they leave the bar.

In any event there must be support for licensed premises to develop the necessary standards where these are not already being met, particularly for smaller organisations with fewer financial resources.

We agree that differential approaches must be taken to different types of premises. A large supermarket has far greater resources—and arguably far greater responsibility—than a village hall putting on occasional events. Similarly, students' unions could be treated separately to purely commercial organisations, depending on the provisions of the code, as their aims and objectives will be significantly different.

Exactly what allowances you could make for the size or type of organisation would depend on the final code, but broadly we believe that charitable and non-profit organisations should be protected from excessive expenditure on measures designed to tackle problems relating to the high-risk premises identified in the consultation document.

We would support any measure that would ensure compliance with any mandatory code. However, as with the code itself, enforcement provisions must take into account different types of organisations and be proportional to the significance any breach. Serious breaches should however result in serious penalties.

Education, Advertising and Communication

More needs to be done to educate consumers on safe drinking and on the units system. However the Government must be more innovative in its campaigns and have separate initiatives to target different groups of drinkers. For example, Heriot-Watt Students' Union carried out a specific campaign to target women drinkers, Boozy Betty.

We believe therefore that peer-to-peer education campaigns are vitally important for young people to not only take notice of the campaign messages but to take them on board and change their behaviour. The Government should support and develop peer education campaigns wherever possible.

We support the principle of including units information on advertising, but, as previously discussed, we remain concerned the units system is too little understood for this to have the greatest impact.

Alcohol Retail Policy Framework

For some time there have been discussions across the student movement about the need to ensure the responsible retailing of alcohol. As interest from the press and general society on alcohol related issues has increased, discussions in the students' union movement have intensified. This has led to the creation of an alcohol retail policy framework, which addresses how students' unions should address issues such as responsible retailing, safety, community engagement, communications, dispersal, crime and disorder.

October 2009

Memorandum by Universities UK (AL 83)

1. Universities UK welcomes the opportunity to make an input into the Committee's work. Universities UK is the representative organisation for the heads of universities, As requested, this submission focuses on the topic of "student binge drinking", and it has been prepared on the basis that the Committee will also be considering evidence from the NUS.

2. The key issues are: wider societal trends in alcohol consumption; the status of students as adults responsible for their own choices; how best to manage the aggressive marketing by drinks suppliers targeting young consumers; the wider issue of promoting healthy choices among students and staff.

3. A report prepared for the Joseph Rowntree Foundation[101] in May 2009 explored trends in alcohol consumption over the last 20–30 years. It identified a possible recent decrease in drinking among 16–24 year olds, and an increase amongst very young adolescents. Binge drinking levels in the wider population have changed little between 1998 and 2006, although there has been an increase among women over 25 years of age. Binge drinking levels in this research were defined as twice the recommended daily limit—this is the definition we will use for this submission.

4. The small amounts of research undertaken about student alcohol consumption suggest that levels of dangerous drinking are no worse (and possibly less problematic) than that found in the general population (Alcohol Concern point to around 25% of the UK population drinking at a dangerous or risky level). Work at Leeds University in 2004–05 (Institute of Alcohol Studies research project) suggested levels of dangerous drinking of between 17% and 30% among the student population.

5. Although universities do not have a duty of care for their students on the same basis as that of schools, they obviously have a significant interest in their welfare, particularly in their first year of study, when they are settling into a new environment and social milieu. For this reason, many universities have policies on alcohol (and also drugs) consumption, and make use of existing campaigning materials about the risks of excessive consumption. This is often in conjunction with their Student Union (SU), as universities generally do not run bars for students, but contract with their Student Unions to do this. The changing nature of the student population means that social facilities on campus must meet the needs of wide range of cultures and nationalities, including those who do not consume alcohol, or do not wish to be with students who are consuming it.

[101] "Drinking in the UK: An exploration of trends", Lesley Smith and David Foxcroft. Joseph Rowntree Foundation (www.jrf.org.uk) 2009.

6. Ongoing research in the South West of England is looking at sensible drinking amongst students in Higher Education Institutions (HEIs) in the region. The report is due for publication by the end of November and is likely to conclude that although most HEIs have a commitment towards promoting sensible drinking amongst their students, activities and policies are sporadic, and a fully coordinated approach across the region is desirable.

7. There is clearly a problem in some parts of the country with aggressive external promoters targeting young people, not just university students. This makes influencing and managing student bars and entertainment venues particularly important, and ensuring that normal university social activities, clubs and societies are not used to embed irresponsible consumption. Most universities have agreements with their clubs and societies precluding excessive/irresponsible use of drugs and alcohol. The more proactive require individual students to commit to responsible behaviour when joining. For health and medical students, expectations around professional behaviours and regulatory bodies' requirements can be used to help promote a responsible approach to alcohol consumption.

8. The "Healthy Universities" project has been running since 2006, and has recently secured funding from the Higher Education Funding Council (HEFCE) for a two year project to embed its activities more widely. This latest stage, "Developing Leadership and Governance for Healthy Universities" is a collaboration with the Leadership Foundation for Higher Education and the Royal Society for Public Health. It is concerned with strengthening and expanding the "English National Healthy Universities Network", a group of universities committed to: creating healthy working, learning and living environments; increasing the profile of health in teaching and research; and developing healthy alliances in the community. Issues such as diet and alcohol consumption will be picked up in its work around whole university approaches to health and well-being for staff and students.

November 2009

Memorandum by Varsity Leisure Group (AL 84)

VIEWS ON STUDENT DRINKING PROMOTIONS/STUDENT EVENTS

EXECUTIVE SUMMARY

In this submission, Varsity Leisure Group,[102] owner of the Carnage UK student brand, provides its views on student drinks promotions and student events. In addition, Varsity Leisure Group sets out the measures which it takes to discourage irresponsible drinking.

The relationship between drink and young people, namely students, is a complex one. The vast majority of students are able to consume alcohol, safely, sensibly and socially. It is a minority of students who do not know when to stop drinking; it is the minority of students whose actions tarnish the vast majority of well-behaved undergraduate and postgraduate students. Alcohol, when consumed sensibly, can play an important and positive role in student communities.

The aim of this submission is to provide an accurate perspective on student drinking culture within British universities. It further outlines best practice and the steps taken by Varsity Leisure Group to remain proactive in its approach to operating student events safely whilst at the same time engendering a safe environment, allowing students from differing ethnic and social backgrounds to meet socially and where alcohol is consumed, to ensure that alcohol consumption is sensible and safe. Varsity Leisure Group wants the students to be safe and for the local economies to have the benefit of a boost to its late night trade, at a time of recession, without any trouble.

In providing this submission, Varsity Leisure Group is only able to provide its views on student drinks promotions and student events which relate to university students, to include undergraduates and postgraduates. Varsity Leisure Group's Carnage UK events are for undergraduate and postgraduate students.

Varsity Leisure Group does not operate events during university "Freshers' weeks" and consequently, is only able to provide an insight into the type of activities which it sees being organised by university student unions, the majority of whom are affiliated to the National Union of Students (NUS).

There are numerous misconceptions about Varsity Leisure Group which have been recycled without reference to evidence. The true position is that the Carnage UK events are carefully planned, carefully organised and carefully managed.

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[102] Varsity Leisure Group, owner of the Carnage UK brand, is one of the UK's most popular student entertainment/promotions companies.

Introduction to Varsity Leisure Group and the Carnage UK Brand

1. Varsity Leisure Group Limited is a company specialising in student event promotion and student event management. The core brand which the company operates is the Carnage UK fancy dress student event. These events are fancy dress themed and based around a ticket in the form of a t-shirt. Varsity Leisure Group operates the Carnage UK event in 32 university towns and cities around the UK. Events take place once or twice per academic term.

2. The Carnage UK event is a multi-sited event; the format includes a small number of pre-venues, which can be bars and/or restaurants. Typically, the number of pre-venues is between four and six (maximum of six pre-venues). The attendees are then granted access to an end venue, typically a nightclub type premises.

3. There are no offers on alcoholic drinks at Carnage UK events. The price of the Carnage UK t-shirt does NOT include any free alcoholic drinks whatsoever. The price of the Carnage UK t-shirt is NOT an "all-inclusive" night. Alcohol is NOT discounted for event attendees.

4. All students are provided with soft drinks which are free of charge for those attending the events. For those participating venues that are able to offer a food service during their normal course of business, a discounted food offer is made available to all students attending these events.

5. Carnage UK events are based around collective identity, meeting new people and having fun. Our events are extremely popular amongst students and typically sell out several weeks in advance. The Carnage UK brand is a platform for social networking, similar to online social networking sites. The cities where the events are operated are sub-groupings of a larger community, the wider student communities that attend the Carnage UK events nationally. Similar to social networking site, Facebook, students create their profile and identity by signing or "tagging" each others t-shirts, in this scenario, with a marker pen. The brand's success and ever growing popularity has absolutely nothing to do with cheap drinks promotions or discounted alcoholic drinks offers; students, like all human beings, aspire to belong to a common identity for reasons associated with social inclusion. The collective identity within the Carnage UK community is that of the Carnage UK t-shirt.

6. Varsity Leisure Group's brand, Carnage UK, is possibly one of the most unique examples of human interaction, social inclusion and physical social networking.

Varsity Leisure Group's Views on the Culture towards Alcohol within UK Universities

7. Alcohol and student living have always been synonymous with each other. A new student's introduction to university is typically a series of activities organised by "responsible" university authorities making a freshers' introduction to university life a series of alcohol-fuelled initiation ceremonies, discount drink parties, and nights out.

8. The tone for a student's whole university life is shaped by their first impression of university which is invariably based around student unions taking their first year intake of students to as many drinking events and initiation ceremonies within a one or two week 'Fresher' period. What has been termed "Freshers' Week" over previous years has often become prolonged into "Freshers' Fortnight".

9. Both campus based universities and non-campus based universities, to include halls and colleges, fuel the rivalry between students from differing halls, colleges, sports teams, and societies during events based on excessive alcohol ingestion as part and parcel of campus life.

10. The initiation ceremonies undertaken by sports teams and societies, often "under the nose" of the student unions, play a prevalent part in creating a culture of drinking to excess amongst students. Once this initial impression has been set about student life, it is sometimes very difficult to re-educate students. This culture is one which Varsity Leisure Group work hard against in order to operate our events to the high standards which we set for ourselves.

11. In these initiation ceremonies, most of which are mandatory for new sports team members/society members, groups of "freshers" are herded by senior members of the sports teams/societies, to a large number of venues (typically ten or more pubs/bars) where substantial quantities of heavily discounted alcohol are consumed in a short space of time. Examples of speed drinking/drinking games typically seen at these events are:

- *Funnels;* funnels with tubes attached are held above student's heads, typically by one of the captains/presidents of the societies and/or sports teams. Alcohol is then poured into the funnel and down the tube. Typically the alcohol used is a mixture of beer/alco-pop/spirit. Penalties are in place for people who do not consume all the alcohol in one go.
- *Strawpedo;* taking a bottle of alcohol, typically a spirit based pre-packaged drink, a drinking straw is placed in the bottle and bent over the top before being gripped by the drinker along with the neck of the bottle. The drinker then tips the whole bottle up into their mouth. The straw is used not to carry liquid, but to speed up the consumption of the content (of the vessel) by preventing any air lock.
- *Downing;* simply a task to "down" an alcoholic drink as quickly as possible and in one go. Often used as a punishment during initiation ceremonies.

— *Drinking rules;* societies and sports teams often have rules for consuming alcohol when together. For example *"Left-hand drinking rule"* means anyone caught drinking with their right hand had to "down" the drink in one straight away; *"Double parked"* if a person has more than one drink they have to down one immediately. There are plenty more examples.

12. Varsity Leisure Group at this point wish to emphasise we do NOT condone or tolerate this behaviour at our events. If a situation arose where such activities were being conducted at a Carnage UK event, the activity would be stopped immediately.

13. The link between universities and alcohol has become more prevalent over the last decade as student union bars have morphed into super-clubs. Many towns and cities within the UK now have student unions with venues holding up to circa 3,000 people (examples include Liverpool, Sheffield, Leeds, Loughborough). These venues provide a very substantial revenue stream to the owning/operating student union. Due to the high costs of owning and/or operating these venues (which can only be viably operated during term time), student unions around the country aggressively market these venues typically focusing promotional advertising on cheap discounted alcohol. This is "old hat" marketing.

14. Varsity Leisure Group does not advertise ANY alcoholic products or prices. Carnage UK events are content led with a fancy dress theme and group identity being the focal point of all activity. For examples of advertisements for Carnage UK events, please refer to Appendix B.

15. Wednesday sports afternoons, when university sports teams traditionally play a majority of their matches, now roll on into the evening with alcohol fuelled team outings now common place. Student teams are financially supported by pubs/bars/clubs to promote their venues and "force" team members to meet up for social events.

16. The funding raised by student bodies through the sale of alcohol, both direct and indirect, inevitably leads to the fostering of the prevalent dinking culture amongst students.

17. The endemic culture amongst some students to over consume is not thwarted by universities who rarely discipline students for low level crimes. As outlined in safe.sensible.social (published 5 June 2007) "the Government's alcohol strategy specifically focuses on the minority of drinkers that cause the most harm to themselves, their communities and their families.18–24 binge drinkers, the minority of whom are responsible for the majority of crime and disorder". If universities took a much firmer stance with students who are involved with low level crimes whilst under the influence of alcohol, binge drinking would become more socially unacceptable within student communities.

18. There have been several recent deaths of students on poorly supervised initiation ceremonies where the sole purpose of the event is the consumption of large quantities of alcohol. The most widely reported of these was the death of Gavin Britton at a University of Exeter golf society initiation ceremony. The consumption of large quantities of alcohol has consequences to personal health which should be addressed. Having spoken to hundreds of students during the last few months specifically about how to reduce peer pressure on individuals to excessively consume alcohol, our belief is a voluntary code amongst university authorities would be welcomed by the wider student community. Such a code should seek to address:

— Guidance/ban activities that could be classed as initiation ceremonies.

— Reduce the number of activities during freshers' week that solely rely on the consumption of alcohol.

— Clearly stated disciplinary procedure for students under the influence of alcohol who become drunk and disorderly or engage in crime whilst intoxicated.

— Freshers' packs should contain information relating to safer drinking.

19. To save money young people tend to drink large quantities of alcohol bought from off licences in small groups (between three and 12 people) before coming out to venues in towns and cities. This is termed as 'preloading' and amongst consumers in the 18–24's is a problem that is becoming more noticeable. Whilst the problems associated with someone being intoxicated may be credited to an on-licence premise in the city centre, in reality the alcohol to get them intoxicated had been consumed before coming out. The recommended daily limits for lower risk drinking are 2–3 units for women and 3–4 units for men; these are widely ignored by young people as irrelevant.

Steps taken by Varsity Leisure Group to Discourage Irresponsible Drinking

20. The event is a social gathering by cross social and racial network of students based at a particular city within the UK. In each city, Varsity Leisure Group's aim is to network across all years of academic study, subjects, gender, nationalities and ethnic background. The object of the event is to bring together the broad cross section of students to encourage social engagement, understanding and friendship which will assist the individual student to integrate within his/her new community.

21. Varsity Leisure Group follows a standard format right across the UK for all Carnage UK events; in the main, between four and six pre-engage bar/restaurant venues plus an end venue. All of our events commence from 19:00 onwards. The majority of "other" student events commence from 21:00. However, by starting Carnage UK events slightly earlier, Varsity Leisure Group has sought to minimise the opportunity for students to "pre-load" before the event. "Pre-loading" has recently become an issue within

the student community. Students are finding it cheaper to purchase alcohol from "off-licence" premises and consume the cheaper alcohol, within the confines of their student residences, under no supervision, before visiting "on-licence" premises, such as bars, restaurants and nightclubs.

22. The event is organised and extreme attention to detail is taken. Substantial supervision is arranged for the event, not only from the participating venues but in addition, one to 50 ratio of Carnage UK stewarding staff in addition to the increased numbers of S.I.A staff deployed at participating venues. The measures actively put in place by Varsity Leisure Group are implemented to uphold the four key objectives of the Licensing Act 2003.

23. Carnage UK events are void of offers on alcoholic drinks. There are no "inclusive drinks" in the ticket price. There are no discounted alcoholic drinks which reward attendees. The ticket to the Carnage UK event is a t-shirt; the Carnage UK t-shirt simply permits entry to the participating venues for those students wearing the Carnage UK t-shirt. The participating venues are in effect on a "dry hire" for students attending these events. At the request of Varsity Leisure Group, soft drinks are provided free of charge at the participating venues.

24. In order to control the consumption of any alcohol that may be consumed, Varsity Leisure Group ensures orderly queues at participating venues whilst proof of age identification checks are completed. This policy itself puts large breaks between any alcoholic drinks that may be consumed by attendees of a Carnage UK event. If further serves to uphold the "protection of children from harm" objective within the Licensing Act 2003.

25. Varsity Leisure Group's operational management contact approved & registered taxi firms 14 days prior to an event taking place, to ensure there is an adequate transport facility in place so that students can return to their residences promptly at the close of business, reducing public nuisance and the possibility of crimes being committed by our customers or against our customers.

26. Varsity Leisure Group's operational management voluntarily liaise, in advance, with Police licensing departments and other external licensing bodies within a city where an event is to take place. This is to ensure that the authorities are aware of when our events are taking place, the full details of any given event and a detailed operational plan/risk assessment. Feedback is sought so as to further address any local issues which may require particular consideration. After an event has taken place, further contact is made and a debrief process is an essential part of our business. Feedback is considered and implemented where necessary. At all times, Varsity Leisure Group adopts a pro-active stance in its business operations. Varsity Leisure Group, through strict standard operating procedures, upholds the four key objectives of the Licensing Act 2003, namely:

— Prevention of crime and disorder.

— Protection of children from harm.

— Public Nuisance.

— Public Safety.

27. At each UK event, on site medical technicians are present, paid for privately by Varsity Leisure Group. This is a pro-active approach. We have not experienced any serious incidents to date; incidents can include diabetes related incidents and asthma attacks. This type of incident could easily occur (and does occur) on any other night. Varsity Leisure Group relieves the local NHS resources by funding the treatment of such incidents ourselves. Our medical services providers are regulated by the British Ambulance Association. A full event medical assessment is conducted by the medical providers on a regular basis.

28. For the protection of children from harm, no persons under the age of 18 years are permitted to attend any of our UK events. Varsity Leisure Group positively implements the "Challenge 21" policy of identification enforcement throughout all events and participating venues. Every piece of literature that is produced enforces this policy throughout the UK and we have had substantial positive feedback from UK Law enforcement Agencies that say that this is an effective strategic and proactive approach to combating the potential for any under-age drinking.

29. Varsity Leisure Group Limited set in place an additional-multi level approach to identification with initial checks made at each venue entrance. This is then supported by internal Security and bar staff due diligence checks. At the request of Varsity Leisure Group, additional SIA registered security personnel are on duty to monitor the event in addition to the normal requirements.

30. Varsity Leisure Group has a tried and tested approach to the issue regarding underage drinking and does not permit any access to alcohol to persons under the age of 18 years. Varsity Leisure Group's procedures are stringent. We advertise the Challenge 21 policy on all event t-shirts and all printed material. Acceptable forms of identification accepted as positive proofs of age are as follows:

— Valid driver's licence photo card.

— Valid UK Passport/Country of Origin passport.

— In a number of cities, we implement and encourage the use of IDSCAN technology. To date, we have used this technology to verify the identity and age of some 67,000 students in the last 12 months alone. The system verifies and stores the identification process of the person and can identify fraudulent documents and persons previously excluded from the premises.

31. The policy is a multi-layered approach to the issue involving not only front line security supervisors and does not end at the front door of the venues, but continues throughout the entire venue and all levels of staff. Bar Staff and bar supervisors are encouraged to challenge customers who they believe may be less than 21 years of age and in the absence of suitable identification, the security staff are made aware of their presence and the matter is then investigated by both the Security Staff and a member of Management. There are no exceptions to our terms of business.

32. Some venues had for some time operated "2 for 1" drinks and 99p drinks promotion. However, in order to support "Drink Awareness" campaigns, promotions on alcoholic drinks are removed for Carnage UK events. This further substantiates the fact that this event is about fun and cultural integration and not getting drunk. If it is evident that any venue proves to be not complying with our terms and conditions and the terms in our operational plan, they may be excluded from the event at any time. Varsity Leisure Group supports and acknowledges the Portman Group initiatives regarding drinks promotions. Varsity Leisure Group supports the "Drink Responsibly" initiative and the contents of the documents available have been made available to all of our staff to give a greater understanding of the negative outcomes to health of drinking intoxicants to excess, the relationship between alcohol and crime and disorder, under age drinking issues specific to young persons.

33. In addition to Bar Staff and Supervisors at host venues, our stewarding staff constantly monitor the appearance of all persons arriving at all venues and their companions, to see if they are fit enough to be supplied with intoxicating liquor. Carnage UK stewarding staff are then able to consult and liaise with SIA registered security personnel at the venues, to make them aware of any situation/potential situation. All Security staff and Management are also aware that persons who appear to have consumed too much intoxicants are to be removed from the venue—before they reach any stage that they can harm themselves or others. This is reinforced with training and monitoring of all staff on a regular basis and is reinforced at a training session prior to Carnage UK events taking place.

34. There is a "zero tolerance" drugs policy at Carnage UK events. Random searches are undertaken on entry to the participating licensed premises and on any suspected persons throughout the night. Permission to conduct any search is always requested and searches must be conducted in the presence of the Personal Licence Holders and/or Designated Premises Supervisor. Drug use is not an issue with Carnage UK fancy dress events. The use of recreational drugs such as ecstasy and cocaine is unheard of. This does not of course mean that Varsity Leisure Group should be relaxed about these issues. It is made clear that we have a "Zero Tolerance" drugs policy in force. Anyone caught in possession of any illegal substances would be handed over to the Police. Varsity Leisure Group's "Zero Tolerance" drugs policy is communicated to all students attending the Carnage UK events via large format posters displayed at key locations within the participating licensed premises.

35. It has been identified that persons leaving any licensed premises can be "targets" for assaults and thefts. This is as a result of persons becoming more relaxed having consumed only a small amount of alcohol; people do not perceive dangers as much as when they have not been drinking. Particular attention is paid to warning customers to be aware of the potential dangers when they leave any venue with poster campaigns, information displays and the distribution of flyers.

36. Varsity Leisure Group design, print and display large format posters at all participating licensed premises, carrying personal safety and drink awareness messages. The posters are positioned and displayed in key locations, including toilets, cloakrooms, till points within licensed premises and entry/exit points at the licensed premises. The posters are aimed at both male and female student customers. The same information is communicated via handheld A7 card style versions of the large format posters. The A7 cards are distributed by hand to the students attending the event. 73% of students interviewed between 31 October 2008 and 31 October 2009 considered the information to be useful and the messages conveyed to have affected their behaviour during and after the events in a positive manner.

37. Further attention is provided by supervisory staff, who at leaving time, are positioned outside the venues to ensure that the customers are protected from harm and they are able to make their way to a taxi liaison point where we have pre-arranged taxi transport available to students attending the Carnage UK events.

Conclusion

38. University students are being immersed into a culture which is focussed around the consumption of alcohol. The culture may need to change; the offering of cheap drinks promotions and alcohol-led events may need to be addressed.

39. Varsity Leisure Group has purposely focussed on content-led material to attract its client base, as opposed to alcohol-led and alcohol promotion driven activity. This is supported by the Company's active policy of no offers on alcoholic drinks at participating venues.

40. Young people, university undergraduate and postgraduate students specifically, are bombarded with cheap drinks offers. Varsity Leisure Group realised that in order to compete in a "buy it cheap" marketplace, this company had to find a unique selling point (USP). In doing so, we addressed wider issues surrounding group identity, group cohesion and social belonging. With the rise in popularity of social networking sites such as Facebook amongst the student demographic, Varsity Leisure Group quickly realised that students were keen to be seen to "belong" to a common identity. Discounting of alcohol and offering alcoholic drinks promotions is not the foundation to a successful business model—there will always be someone that discount more aggressively.

41. Varsity Leisure Group is unable to influence the activities of the NUS and the Student Unions, they are by their own right, independent entities. Nevertheless, Varsity Leisure Group believes that through clear marketing which avoids the advertising of any alcoholic drinks whatsoever, students are attracted to the popularity of the event, based upon the brand's cohesive force to unite students across the wide social and ethnic demographic that makes the United Kingdom a wonderful country to live and work in.

42. The decision to attend University is one which is not taken lightly. Young people are thrown into a new environment when they are embarking on this new stage in their adult life. The organisations that are supposed to be assisting the transition may be thwarting the sensible drinking message that the Police, NHS and responsible retailers are trying hard to communicate.

43. In years previous, the student union bar was just that….a bar. Over the period of the last decade, these student union "bars" have been transformed into some of the biggest venues in the respective cities, some having the capacity to hold circa 3,000 young students. The student union has in effect moved from a "small dot" on the map to one of the largest licensed venues in the majority of cities. Coupled with the large capacities of these student union venues and the aggressive discounting, it is no wonder why the NUS and Student Unions are under pressure to keep these premises occupied to a high capacity, with the enticement of discounted cheap alcoholic drinks offers, in order to fulfil this objective.

44. The culture engendered by the "student union" ethos is one which correlates with aggressive and discounting and "cheap offers" on alcoholic drinks, "drink all-you-can" events, "drink the bar dry" events and other types of activity which is predominantly aimed at increasing consumption, by offering "value for money."

45. The views on student drinking will perhaps only ever change when the culture is addressed. Legislation may not be the easiest method (or indeed the correct method) of achieving such change. Change may only come with education, training and guidance of the young from an early stage—in the case of university students specifically, less focus needs to be placed on "Freshers' Weeks and Freshers' Fortnights." After all, these are the first weeks which may set the trend for a number of years to follow and into full adult life.

46. It is imperative to have a clearer understanding of what is acceptable, safe and sensible drinking; drunken behaviour should not be considered acceptable or normal. Whilst alcohol producers, alcohol retailers, event organisers and the government agencies can work together to ensure that the responsible drinking message is conveyed, everyone must take responsibility and that includes the end user, the consumer. It is important to emphasize that it is a minority of who are responsible for the majority of problems. Is it therefore fair to penalise the majority for the mistakes of a small minority?

November 2009

Memorandum by Dr Nicholas Sheron and Kirsty Tull (AL 85)

The enclosed report on a prototype nurse led service was submitted to senior managers in July of 2004. The service was funded on a temporary basis and this funding stream stopped when the specialist nurse who ran the service took maternity leave. Between 2004 and 2008 a large number of different and increasingly inventive strategies were employed to try and convince senior management, the local PCT and the local Tackling Alcohol Partnership to recommission the service on the basis that not only was the benefit to health huge and demonstrable, but the cost savings to the NHS were of equal scale.

The response from senior managers each year was the same; all unanimously agreed that the service was innovative, excellent and cost saving, but no bridge funding was available to recommission the service. The subtext in each case was that alcohol related liver disease was viewed as a self inflicted disease and as result de-prioritised. This ingrained attitude to patients with alcohol related problems is a recurring problem in the NHS whether it be finding funding for a new service or finding a bed on an Intensive Care Unit.

These strategies were eventually successful in that a new NHS and LAA target now aims to reduce alcohol related hospital admissions and our specialist alcohol nurse service finally recommenced in July 2009.

Report on a Specialist Nurse Led Alcohol Service for Liver Disease Admissions July 2004

Introduction

Alcohol-related liver disease is a massive health problem in the UK. Approximately 5% of the male population and 3% of the female population of the UK are drinking alcohol at levels sufficient to cause liver damage. Deaths from liver disease have increased eight fold in young and middle aged adults since the 1970s and are continuing to rise. Alcoholic liver disease is the commonest cause of admission to the Liver Unit in Southampton and of the 30 or so liver-related deaths that we have each year, the vast majority (95% plus) are due to alcoholic liver disease. The mortality from acute alcohol related liver disease is very high, up to 60% in severe cases, but if patients survive and remain abstinent the clinical prognosis is surprisingly good. The liver will regenerate and many patients will do extremely well in the long term—the key being to reduce alcohol intake to zero or near zero.

Patients with alcohol-related liver disease admitted to hospital will undergo a detoxification regime and on the whole do not drink alcohol while in hospital. However, on discharge from hospital patients are often returned to exactly the same community scenario that was encouraging their alcohol misuse previously and many will relapse into alcohol drinking and as a result will suffer an accelerated progression to their alcohol-related liver disease.

Numerous studies have shown that when properly followed up and counselled up to 50% of patients admitted with alcoholic liver disease will either remain abstinent in the future or will severely cut down their drinking to, or near to, safe levels. Studies performed in Southampton General Hospital by Chris Nelson and Jo White last year showed that patients with alcoholic liver disease form a different population from patients with alcohol dependence undergoing detoxification in the community. Whereas these detoxification patients have essentially 100% incidence of severe alcohol dependence, as far as patients with alcoholic liver disease are concerned more than half have little or minimal evidence of alcohol dependence on the SADQ questionnaire.

SUHT set up a small working party to come up with a draft alcohol strategy for the Trust. This draft was completed in June 2003 at which date it was taken over by SUHT management where is it currently stalled. One of the key recommendations of this draft strategy was to set up a nurse led alcohol service which would screen and assess patients admitted to SUHT with alcohol-related problems, with the aim of assessing their willingness to change drinking patterns, give brief interventions where appropriate or direct patients to appropriate community-based alcohol services.

With the draft alcohol strategy currently blocked. It has not been possible to initiate any of the recommendations made in the strategy with one exception, namely we have on our own initiative within the Liver Unit trained one of our existing specialist hepatology nurses in alcohol assessment and counselling. This nurse, Kirsty Tull, has been spending one day a week setting up a nurse led alcohol service for inpatients with alcoholic liver disease funded from the profit from Hep C treatment.

The initial aims of this service were as follows:

— to assess patients admitted with alcohol related liver disease referred to the nurse led alcohol service;

— to provide brief intervention;

— to develop better liaison with specialist community alcohol services; and

— to provide outpatient counselling and support for those patients thought likely to continue or reduce their dangerous drinking.

Patients are seen by the alcohol specialist nurse, and are given an audit and SADQ screening questionnaire which assesses levels of alcohol intake and levels of dependence. They also undergo a "readiness to change" questionnaire which assesses whether they are likely to respond to further counselling. Numerous previous studies have shown that brief interventions have proven to reduce alcohol consumption by 10–30% in a hospital setting. It reduces episodes of binge drinking and has been proven to reduce hospital admissions and re-admissions.

In the first year of service from April 2003 to May 2004, working one day a week, the nurse specialist assessed a total of 61 patients. All patients underwent the SADQ audit and "readiness to change" questionnaires.

Patients in pre-contemplation and contemplation stages of the alcohol abuse cycle were given 10 minutes of brief intervention advice, contact numbers for community support and listings of local AA meetings. These comprised 29 patients (47.5%).

32 patients (52.5%) were in the action stage of the "readiness to change" cycle. They were given the same advice, information and contact numbers but were also given an appointment to the nurse led alcohol clinic within two weeks of discharge from hospital. Of these 32 patients, the attendance rate at the first clinic appointment was 96.8%. This contrasts with attendance rates at medical outpatients, which we estimate are between 10 and 20% for recently discharged patients with alcohol related liver disease.

Of the 32 patients, seven then failed to attend regular review, giving a total of 25 patients (78.1%) attending regularly. Of these 25 patients, 13 are currently abstinent from alcohol, six have significantly reduced their alcohol consumption and 6 continue to drink at previous levels. Of the 32 patients, 26 had established cirrhosis confirmed on liver biopsy (75%), indicating that they have been abusing alcohol for in excess of 10 or 15 years in order to develop this severity of liver damage. Some of the patients currently being followed in the nurse led alcohol clinic would previously have been classified as "heart-sink" or "no-hoper" patients who had had multiple admissions for alcohol related liver disease but had been unable to remain off alcohol.

In order to make a preliminary assessment of the impact that the nurse led alcohol clinic has had on admissions for liver disease, we undertook an audit of the amount of time spent in hospital in the previous year prior to being reviewed by Kirsty for the first time and compared this with the follow up period. The main period of follow up for these patients was 304 days and so the two periods of time are broadly comparable. Prior to undertaking alcohol counselling and follow up, this cohort of patients spent 386 days as inpatients in hospital as a result of 27 separate hospital admissions. During the follow up period, the same cohort of patients spent a total of 86 days in hospital with a total of 19 admissions. This represents a reduction in admissions of 30%, a reduction in length of stay of 10 days and a potential reduction in costs (assuming a liver bed day cost of £350) of £105 thousand in the first year of operation in addition to the reduction in the morbidity and mortality that would have ensued in this cohort of patients had they continued to drink.

Conclusion

We have shown that it is feasible to set up and run a nurse led alcohol service for inpatients with liver disease and that, providing patients are carefully selected, attendance rates are astonishingly high and these patients have an overall success rate of 75% in terms of patients remaining either abstinent or drinking at very reduced levels. This service significantly reduces alcohol related morbidity, with a 30% reduction in admissions and an 80% reduction in bed days. This represents a cost saving in the region of £100 thousand or a cost saving per patient of approximately £4,000. Unfortunately, the nurse led alcohol service is currently discontinued owing to pressure of work within the hepatology specialist nurse unit and impending maternity leave.

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