AHA Submission: Spending Review Phase 2 (February 2025)

Introduction

The Alcohol Health Alliance UK (AHA) is an alliance of more than 60 non-governmental organisations dedicated to promoting evidence-based policies to reduce the harm caused by alcohol. Members include medical royal colleges, national treatment providers, and charities such as Cancer Research UK. A full list is available online.

This submission follows on from our AHA representation to the Spending Review Phase 1.

Summary of representation

- Alcohol harm continues to rise to record levels, with the total societal cost of alcohol harm in England most recently estimated at upwards of £27.4 billion per year in costs to healthcare, crime and disorder, social services, and productivity.
- Alcohol duty is one of the most cost-effective policies to tackle health and economic harms associated with alcohol consumption.
- Successive freezes and cuts to alcohol duty by previous governments have cost the Exchequer £28.3 billion, increased the relative affordability of alcohol, and in turn increased consumption leading to more harm.
- We fully endorse the Institute for Alcohol Studies' detailed submission to this Spending Review: Phase 2 consultation process, which can be found here
- Our AHA Change NHS Consultation Response from December 2024 explores our position on alcohol and healthcare in more detail.

We recommend the following fiscal measures to improve public health and raise much-needed revenue for the Treasury:

- Reintroduce the alcohol duty escalator with immediate effect to ensure taxation keeps pace with inflation by automatically uprating duty by RPI+2% every year.
- Ensure alcohol duty is targeted at products sold in shops and supermarkets which have become increasingly more affordable in recent years, and which continue to undercut the on-trade (including local pubs and restaurants).
- End cider and wine exceptionalism by increasing cider duty rates so they begin to equalise with that of beer of the same strength (ABV)
- Commit to reviewing alcohol duty rates as part of a comprehensive national alcohol strategy to ensure health harming industries make a more meaningful contribution to reduce the societal cost of alcohol.

We advocate for evidence-based Government action to reduce alcohol harms and save the public purse money in the long term, as follows:

- A **new and comprehensive national alcohol strategy**, outlining the current picture of alcohol harm (which has changed and worsened dramatically since the pandemic) and setting out a national cross-Government plan to tackle it, based on evidence of what works, with measurable targets.

- Reduce the affordability of alcohol by **increasing alcohol duty rates in the off-trade** and **introducing Minimum Unit Pricing** in England.
    - Minimum Unit Pricing (MUP) is already in place in Scotland and Wales, with plans underway to roll out the policy in Northern Ireland too. This leaves England as the outlier, at a time when alcohol specific death rates in the North East of England have now overtaken Scotland's rates for the first time on record[1].
    - Public Health Scotland's independent evaluation of MUP in Scotland showed that it reduced deaths by over 13%, particularly impacting the most deprived communities.
    - Alcohol Focus Scotland highlight in their Consultation Response on the Continuation of MUP in Scotland that "MUP will also have relieved some of the pressure and costs on the NHS in the five years since implementation, particularly through reduced hospital admissions. Public Health Scotland estimated that the 899 hospital admissions averted each year due to MUP would have cost the NHS £890,000. Modelling has estimated that if MUP were to be removed, there would be additional NHS hospital costs of £10m in the first 5 years, and £26.4m over 20 years."
    - A 2022 study from Sheffield University modelled a 50p MUP in England and estimated NHS savings of £72 million each year.
    - As the IAS Spending Review Phase 2 submission highlighted, drinking habits have changed post-pandemic, with more alcohol now purchased from the off-trade and consumed at home. It is estimated that three times as much alcohol is now bought from off-licenced premises as from pubs and other on-licenced premises.[2] Pub landlords have made it clear that cheap supermarket alcohol is the biggest threat to their business survival, products that MUP targets.[3]
    - Most pubs and restaurants are unlikely to sell drinks below the minimum prices prescribed by MUP, with less than 1% of products sold in the on-trade expected to be affected[4]. On-trade retailers in Wales said they thought the policy created fairer competition between them and 'off-trade' retailers by preventing the latter selling cheap alcohol[5].
    - Publicans support MUP by a ratio of two to one, including brewers Greene King and the C&C Group, makers of Magners cider.[6]
- **Tackle the rising costs to the public purse of health-harming products like alcohol**
    - We believe that a 'polluter pays' model of taxation could be an important revenue-raising tool for the Treasury to consider alongside MUP, and we would strongly support further exploration of this in line with the new government's commitment to the responsible management of public finances. Exploring this model would also signal that the Treasury is taking a role in recouping the costs to the public purse, and wider society, from health-harming products such as alcohol (and from the highly profitable industries that produce and sell them).

[1] Angus, C. (2024) New alcohol mortality data presents a bleak picture for England, Institute of Alcohol Studies website blog
[2] Institute of Alcohol Studies (2025) Consumption Factsheet (accessed 06/02/2025)
[3] Bhattacharya, A (2017). Pubs Quizzed: What Publicans Think About Policy, Public Health and the Changing Trade, Institute of Alcohol Studies.
[4] Angus, C. et al. (2015) Modelling the impact of minimum unit price and identification and brief advice policies using the Sheffield alcohol policy model version 3. University of Sheffield. Frontier Economics (2019). Minimum Unit Alcohol Pricing. Evaluating the impacts on the alcoholic drinks industry in Scotland: baseline evidence and initial impacts.
[5] Mitchell, M. et al (2025) An evaluation of effects on minimum unit pricing of alcohol National Centre for Social Research
[6] BBC (2011). Greene King brewery boss backs minimum unit pricing; C&C Group, Tennent's, Minimum Unit Pricing, accessed June 2021; The Guardian (2017). Campaigners urge minimum alcohol price in England after Scottish ruling.

- **Increasing funding for alcohol treatment services**, following recommendations of the Medical Council on Alcohol (MCA) in their December 2024 report.
    - In order to fund sustainable and stable treatment services, funding should be ring-fenced, announced with sufficient notice for local commissioners to plan service provision effectively, and on multi-year funding cycles.
- **Reduce the availability of alcohol**, introduce comprehensive **restrictions on alcohol marketing**, and enhance measures to **reduce drink driving** including reducing the drink driving limit in England and Wales, in line with Scotland and EU countries.
    - Our AHA response to the National Planning Policy Framework in September 2024 illustrated in more detail how a policy such as adding Public Health as a Licensing Objective for local licensing applications, if well enforced, could have a significant positive impact on local communities. This includes reducing costs and impacts of alcohol-related crime, anti-social behaviour, and health harms.

More specific detail on the evidence base for these policies can be found in the Institute of Alcohol Studies' detailed submission to this Spending Review: Phase 2 consultation process, which can be found here.