Explanatory Memorandum to:

- **The Public Health (Minimum Price for Alcohol) (Wales) Act 2018 (Continuation) Regulations 2026**
- **The Public Health (Minimum Price for Alcohol) (Minimum Unit Price) (Wales) (Amendment) Regulations 2026**

This Explanatory Memorandum has been prepared by the Health, Social Care and Early Years Department and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Public Health (Minimum Price for Alcohol) (Wales) Act 2018 (Continuation) Regulations 2026 and the Public Health (Minimum Price for Alcohol) (Minimum Unit Price) (Wales) (Amendment) Regulations 2026 and Regulatory Impact Assessment. I am satisfied that the benefits justify the likely costs.

Sarah Murphy MS
Minister for Mental Health and Wellbeing

16 December 2025

PART 1

1. Description

1.1 This Explanatory Memorandum ("EM") provides information covering two related pieces of subordinate legislation which are made under powers in the Public Health (Minimum Price for Alcohol) (Wales) Act 2018 ("the 2018 Act").

1.2 The Public Health (Minimum Price for Alcohol) (Wales) Act 2018 (Continuation) Regulations 2026 ("the Continuation Regulations") continue the minimum unit pricing provisions in Wales beyond the sunset clause date within the 2018 Act, which would otherwise repeal them on 1 March 2026. To maintain the minimum unit pricing policy in Wales, the Welsh Government must make regulations to ensure the provisions remain in force beyond that date.

1.3 The Public Health (Minimum Price for Alcohol) (Minimum Unit Price) (Wales) (Amendment) Regulations 2026 ("the Amendment Regulations") increase the minimum unit price for alcohol in Wales from 50p to 65p per unit to maintain the effectiveness of the policy since its introduction in March 2020.

2. Matters of special interest to the Legislation, Justice and Constitution Committee

2.1 Section 22(1) of the 2018 Act provides that the minimum pricing provisions are repealed with effect from the expiry of the 6-year period (calculated as 1 March 2026) unless regulations providing otherwise are made to prevent their repeal. Regulation 3 of the Continuation Regulations makes provision to prevent the repeal of the minimum pricing provisions under section 22(1) of the 2018 Act allowing the minimum pricing provisions to continue in force. While the Continuation Regulations do not amend the text of the Act, it overrides the legal effect of section 22(1) and this may be of special interest to the Committee.

2.2 Both the Amendment Regulations and the Continuation Regulations are so closely interlinked that it would not be possible to interpret the regulatory impacts of each statutory instrument in isolation without explaining the wider legislative context. On that basis a composite EM has been prepared for both of these statutory instruments.

2.3 This instrument has been prepared outside the new software for Welsh statutory instruments; it may be the case that minor formatting improvements need to be made during the registration process if this legislation is approved by the Senedd and made by the Welsh Ministers.

3. Legislative background

3.1 These Welsh statutory instruments are made under the draft affirmative procedure.

The Public Health (Minimum Price for Alcohol) (Wales) Act 2018 (Continuation) Regulations 2026

3.2 Section 22(1) of the 2018 Act provides that the minimum pricing provisions are to be repealed at the expiry of the 6-year period after section 2 of the 2018 Act came into force, unless Regulations are made under section 22(2) to continue the effect of those provisions. Regulations under section 22(2) can only be made after the end of the 5-year period but must be made before the end of the 6-year period. Section 2 of the 2018 Act came into force on 2 March 2020 and therefore regulations can be made after 1 March 2025 but must be made before 1 March 2026. If the regulations are not made before 1 March 2026, then the minimum pricing provisions will be repealed.

3.3 These Continuation Regulations are made under section 22(2) of the 2018 Act and ensure that the minimum pricing provisions are not repealed at the end of the six-year period specified in section 22(1).

The Public Health (Minimum Price for Alcohol) (Minimum Unit Price) (Wales) (Amendment) Regulations 2026

3.4 Section 1 of the 2018 Act sets out the formula for calculating the applicable minimum price for alcohol. The formula is:
M x S x V, where—

- **M** is the minimum unit price specified in regulations, expressed in pounds sterling;
- **S** is the percentage strength of the alcohol, expressed as a whole number; and
- **V** is the volume of the alcohol, expressed in litres.

This means that minimum price at which alcohol can be sold is calculated by multiplying the minimum unit price set out by the Welsh Ministers in regulations by the strength and volume of the product.

3.5 The Public Health (Minimum Price for Alcohol) (Minimum Unit Price) (Wales) Regulations 2019 ("the 2019 Regulations") specify the minimum unit price for the purposes of the 2018 Act. These Amendment Regulations amend the 2019 Regulations to prescribe a new minimum unit price (M) of 65p per unit.

4. Purpose and intended effect of the legislation

Background

4.1 The 2018 Act provided the legal framework for introducing a minimum price for alcohol in Wales. The aim of the Act is to tackle alcohol-related harm, including alcohol-attributable hospital admissions and alcohol-related deaths in Wales, by reducing alcohol consumption in hazardous and harmful drinkers.

4.2 The specific minimum unit price, set at 50p per unit of alcohol, was later established through the 2019 Regulations, which came into force on 2 March 2020. Together,

the Act and the 2019 Regulations set the minimum price at which alcohol can be supplied in Wales to a person in Wales

4.3 If regulations to continue the minimum pricing provision are not made before 1 March 2026, the 2018 Act (with limited exceptions for consequential regulation-making powers) will be repealed. Consequently, the 2019 Regulations, which currently set the minimum unit price at 50p, would cease to apply, and the power to make future regulations under the Act would lapse. Any future reinstatement of the minimum unit price framework would then require primary legislation.

The Public Health (Minimum Price for Alcohol) (Wales) Act 2018 (Continuation) Regulations 2026

4.4 The Continuation Regulations are made under section 22(2) of the 2018 Act and have the purpose of continuing the effect of the minimum unit pricing provision beyond 1 March 2026. Evidence shows that introducing a minimum unit price for alcohol has made an important contribution in tackling the health risks associated with excessive alcohol consumption.

4.5 The intended effect of the Continuation Regulations is to retain minimum pricing for alcohol as one of a wide range of health policies adopted by the Welsh Government to help tackle inequality and improve health outcomes. It is not designed to work in isolation, and we will continue to support our broad work in the substance misuse area, targeted towards prevention, support and recovery and tackling availability.

The Public Health (Minimum Price for Alcohol) (Minimum Unit Price) (Wales) (Amendment) Regulations 2026

4.6 The Amendment Regulations amend the 2019 Regulations to increase the minimum unit price from 50p per unit to 65p per unit. This change is intended to maintain the effectiveness of the policy in line with inflation and updated evidence on health impacts. The increase supports the continued aim of reducing alcohol-related harm among hazardous and harmful drinkers, including young people, who are more likely to consume large quantities of cheap, high-strength products.

5. Consultation

Public Consultation on Proposals for the Regulations

5.1 A public consultation on proposals for the regulations was held over an eight-week period from 4th August 2025 to 29th September 2025. This consultation sought views on two core proposals: (i) whether minimum unit pricing should continue beyond March 2026, and, if so, (ii) whether the minimum unit price should increase from 50p to 65p per unit. The decision to hold a shortened eight-week consultation reflected the extensive evidence gathering and stakeholder engagement already undertaken.

5.2 The consultation included three questions on different thematic areas. One of these asked respondents for their views on the likely impact of continuing minimum unit

pricing and increasing the price per unit to 65p, particularly on groups with protected characteristics under the Equality Act 2010.

5.3 The consultation document was supported by modelling work undertaken by the Sheffield Addictions Research Group (SARG) at the University of Sheffield, which provided updated evidence for Wales on the likely impacts of continuing with minimum unit price legislation beyond the period covered by the current legislation. The research builds on previous modelling for Wales and recent work in Scotland to assess the population impact of various options for the current 50p minimum unit price, including both reductions and increases, using the most up-to-date data available.

5.4 The consultation received 433 responses from individuals, industry and trade association, health bodies, public and third sector organisation, as well as academic and research institutions.

5.5 Responses were mixed, with concerns about affordability, impacts on vulnerable groups, and perceptions of negative effects on low-income households, cross-border inequality, and a "stealth tax"— issues addressed in independent evaluations and operation and effect report. Despite these concerns, most respondents, including public health bodies and academics, supported minimum unit pricing as an effective measure to reduce harmful drinking, hospital admissions, and alcohol-related deaths, particularly among vulnerable populations. The policy has successfully removed cheap, high-strength products from the market and aligns with Wales's health equity and prevention goals, such as the Marmot nation and the Well-being of Future Generations Act. Evidence from Wales and Scotland supports calls to continue minimum unit pricing and raise it to 65p per unit, which is considered essential to maintain its effectiveness against inflation.

5.6 The consultation documents and a summary of the responses are available at https://www.gov.wales/consultation-setting-minimum-price-alcohol-beyond-2026-html

Background engagement

5.7 Section 21 of the 2018 Act requires Welsh Ministers to lay a report on its operation and effect as soon as practicable after the end of the first 5 years of its implementation (after 1 March 2025). In preparing this report, the Welsh Ministers were required to consult the Senedd and any other persons they considered appropriate.

5.8 In preparing the Operation and Effect report, a 12-week stakeholder consultation was undertaken between 30 January and 24 April 2025. In parallel, the Senedd's Health and Social Care Committee, at the request of the Minister for Mental Health and Wellbeing, issued a call for written evidence on minimum unit pricing, which closed on 30 April. The collected evidence was provided to the Welsh Government on 30 June. This work was informed by the same updated modelling undertaken by SARG at the University of Sheffield, which underpinned both the stakeholder engagement and the subsequent analysis in the Operation and Effect report.

5.9 The Operation and Effect Report was laid on 10 July 2025. Both the report and the HSC Committee's call for written evidence can be viewed online: Operation and effect Report and HSC Committee Minimum unit pricing for alcohol in Wales.

REGULATORY IMPACT ASSESSMENT

1. This Regulatory Impact Assessment considers the impact of Minimum Unit Pricing for alcohol. In particular it considers the continuation of MUP beyond the sunset clause date, Sunset Clause, continuation and increase in price.

2. The RIA for the following regulations:

   The Public Health (Minimum Price for Alcohol) (Wales) Act 2018 (Continuation) Regulations 2026; and

   The Public Health (Minimum Price for Alcohol) (Minimum Unit Price) (Wales) (Amendment) Regulations 2026

   considers options for maintaining the Welsh Government's stated objective of reducing alcohol-related harms by reducing alcohol consumption, particularly amongst hazardous and harmful drinkers.

3. The Public Health (Minimum Price for Alcohol) (Wales) Bill was passed by the National Assembly of Wales in June 2018 and received Royal Assent on 9 August 2018.

4. The Public Health (Minimum Price for Alcohol) (Wales) Act 2018 provided the legal framework for introducing a minimum price for alcohol in Wales. The specific minimum unit price, set at 50 pence per unit of alcohol, was later established through the Public Health (Minimum Price for Alcohol) (Minimum Unit Price) (Wales) Regulations 2019 (2019 Regulations), which came into force on 2 March 2020.

5. Together, the Act and the 2019 Regulations set the minimum price for which alcohol can be supplied in Wales to a person in Wales and established a local authority-led enforcement regime. This included powers to bring prosecutions, undertake investigations, and enter premises. The legislation has made it an offence for a person who is an alcohol retailer to supply alcohol from qualifying premises in Wales, or to authorise the supply of alcohol from qualifying premises in Wales, at a price below the applicable minimum price for the alcohol, punishable by way of a fine.

6. The Welsh Government has long recognised the impact of alcohol pricing on public health and social outcomes. Since the introduction of the Public Health (Minimum Price for Alcohol) (Wales) Act 2018, a minimum unit price of 50p per unit has been in place to reduce alcohol-related harm. However, recent evaluations suggest that an increase in the MUP may be necessary to maintain the effectiveness of the policy and further mitigate excessive alcohol consumption among hazardous and harmful drinkers.

<u>Independent Evaluations of Minimum Unit Pricing for Alcohol</u>

7. The Welsh Government commissioned an evaluation of the 2018 Act. Four contracts were awarded, looking at different aspects of implementation. These were:

   Study 1: Review of the introduction of minimum pricing for alcohol in Wales – Contribution Analysis. Using a Contribution Analysis approach, the aim was to assess the contribution (if any) that the introduction of minimum pricing for alcohol in Wales has made to any (measurable and observable) alcohol-related behavioural, consumption, and retail outcomes.

   Study 2: Research with retailers and quantitative analysis. Using mixed methods, the evaluation investigated retailers' experiences and impacts of minimum pricing for alcohol in Wales. The research also examines the impact on alcohol purchases using secondary data analysis.

   Study 3: Research with services and service users to assess the experiences and impact of minimum pricing for alcohol on service users and service providers. This included exploring the extent to which switching between substances may have been a consequence of the legislation and the impacts of minimum pricing on household budgets.

   Study 4: Assessment of the impact of introducing minimum price for alcohol on the wider population of drinkers. A longitudinal study assessing the impact of minimum pricing for alcohol on the wider population of drinkers in Wales using a cross-sectional, anonymous, online questionnaire survey of adult drinkers living in Wales; and qualitative interviews with adult drinkers living in Wales.

8. The final evaluation reports from each of these studies can be found at Welsh Government evaluations. There was recognition in the evaluation findings that assessing the impact of the legislation against the backdrop of the pandemic, persistently high levels of inflation and the cost-of-living crisis has been challenging. However, the studies found the legislation has been broadly welcomed and implemented in an effective fashion.

   Operation and Effect Report

9. Under the terms of the Act, the Welsh Government was required to provide a report on the Operation and Effect of the legislation as soon as is practicable after 1st March 2025. In preparing this report, the Welsh Government had to consult the Senedd and others, as appropriate. The findings of the independent evaluations fed into the report, but the Welsh Government also undertook a consultation exercise and various other work to feed into this report. A 12-week stakeholder consultation was undertaken between 30 January and 24 April 2025. In parallel, the Senedd's Health and Social Care Committee, at the request of the Minister for Mental Health and Wellbeing, issued a call for written evidence on Minimum unit pricing for alcohol in Wales, which closed on 30 April. The collected evidence was provided to the Welsh Government on 30 June. A copy of the report is available at Welsh Government Operation and Effect Report

Options

10. This RIA focuses on the impacts of continuing MUP at different levels of minimum unit price – and includes the following options on this matter, namely:

    Option 1 - Lowering or removing the minimum unit price below 50 pence per unit.
    Option 2 - Retaining the 50 pence per unit.
    Option 3 - Increasing above 50 to no more than 60 pence per unit.
    Option 4 - Increasing to 65 pence per unit.
    Option 5 - Above 65 pence per unit

11. In July 2024 the Welsh Government commissioned the Sheffield Addictions Research Group (SARG) at the University of Sheffield to assess the likely impacts of continuing with Minimum Price for Alcohol legislation beyond the period covered by the current legislation. The research built on existing modelling work for Wales and more recent work in Scotland, to assess the population impact of a range of alternative options regarding the current 50p minimum unit price, building in new data. Specifically, SARG were commissioned to:

    - To model the impact of changing the current 50p per unit threshold, considering a range of alternatives, including reducing the MUP threshold, increasing the MUP threshold, retaining the 50p threshold, and removing MUP completely.

    - To establish what increases in excise duty (taxation) would be required to achieve the same effect in reducing alcohol attributable deaths, including specific analyses for hazardous and harmful drinkers, for the range of MUP thresholds used in responding to the objective above.

    - To estimate the impact of potential approaches to uprating (or not) MUP thresholds.

12. The final report and executive summary were published on the 24th July 2025 and informed this regulatory impact assessment. Sheffield Modelling Report 2025

13. These options are explored in detail below and are based on the Sheffield Modelling report. Details of how the modelling was undertaken is set out below:

14. This analysis models the long-term effects of modifying the Minimum Price per unit of Alcohol (MUP) in Wales, using a simulation framework that spans from 2022 to 2045. The existing MUP of 50p/unit, introduced in 2020, serves as the baseline scenario. 2026 is designated as the intervention year where alternative

MUP policies are introduced, allowing for comparison with the continued 50p baseline (the “control arm”).

Policy Scenarios

Reductions in MUP to 40p and 45p
Increases in MUP to 55p, 60p, 65p, 70p, 75p, and 80p.
Complete removal of the MUP policy

15. Each scenario is uprated annually with CPIH inflation, while the control arm maintains the 50p MUP and follows the same inflation index. All monetary outcomes are presented in RPI-adjusted real 2026 prices. RPI is used by UK Government as the basis for uprating alcohol and tobacco duties and has been used in this analysis for consistency[1].

Modelling Approach

16. The model applies MUP to observed alcohol price distributions while retaining a reference price structure influenced by the prevailing tax regime. This dual-distribution approach enables simulation of scenarios involving:

- Real-terms erosion of the MUP over time (e.g., through inflation)
- Deliberate cash-value changes or complete removal of the policy
- Reversion to pre-MUP price patterns if the policy is withdrawn.

Key Methodologies

- Alcohol prices are updated annually based on tax policy and inflation (RPI for model consistency)
- Price elasticities of demand (from Pryce et al.) are applied to estimate changes in consumption, including:
- Participation effects (whether someone chooses to consume alcohol)
- Conditional consumption (how much a consumer drinks)
- Calculations are performed separately for drinker subgroups and by deprivation quintiles (WIMD)

Evaluation Metrics

17. Scenarios are assessed based on changes in:

- Alcohol consumption levels
- Consumer spending
- Government tax revenue (duty + VAT)
- Retailer revenue (on-trade and off-trade)
- Health outcomes: hospital admissions, all-cause mortality, and Years of Life Lost (YLLs)
- NHS costs related to alcohol-related hospitalisations.

Price Elasticities

18. One of the key parameters in the modelling is the price elasticity of demand. The central assumptions on price elasticity of demand are taken from Pryce et al. (2023) https://onlinelibrary.wiley.com/doi/10.1111/dar.13773 . The modelling uses a range of estimates to capture uncertainty and show possible outcomes rather than relying on a single prediction. The central estimate comes from the Sheffield study because it is based on robust UK evidence and validated methods. These elasticities, presented as a 12×12 matrix, capture the responsiveness of consumption for 12 products—10 alcohol and 2 tobacco—to changes in their own and cross prices, with separate matrices for participation and conditional consumption. Since the modelling analysis focuses on alcohol pricing, all tobacco elasticities were set to zero, effectively using a 10×10 alcohol matrix. In the base case, the modelling also zero out any elasticities that were not statistically significant in the Pryce study, and the modelling tests the sensitivity of the results to variations in these base case elasticities.

Sensitivity analyses

19. The modelling includes three sensitivity analyses to assess how alternative model inputs might influence the results:

    SA1: The modelling applies the full matrix of Pryce participation price elasticities and conditional consumption price elasticities, including those that are statistically insignificant.
    SA2: The modelling uses Pryce elasticities but restricts them to own-price elasticities, setting all cross-price elasticities between alcohol products to zero.
    SA3: The modelling incorporates the price elasticities estimated by HMRC and adopted by the Office for Budget Responsibility in its economic analysis

20. For all sensitivity analyses, the modelling assumed an illustrative policy scenario involving an increase in the MPA threshold from 50p to 65p per unit.

Baseline of modelling

21. As a baseline for this impact assessment the modelling report used 2.024,569 million drinkers in Wales, consuming an average of 11.3 units of alcohol per week at a cost of £15.37. This data is taken from National Survey for Wales 2022/23 UK Data Service .

22. These figures can be broken down by drinker status, that is Moderate, Hazardous and Harmful. Around 77% of drinkers in Wales are moderate drinkers, meaning they consume within the UK Chief Medical Officers' low risk drinker guidelines of 14 units per week. Around 19% of drinkers are hazardous drinkers, men who exceed the guidelines, but drinker fewer than 50 units/week and women who

[1] Note that although the MPA threshold is estimated to increase in line with CPIH, we assume alcohol prices increase each year in line with RPI – to ensure consistency with UK government assumptions in relation to alcohol duty.

drink fewer than 35 units, while just over 4% of drinkers drink at harmful levels exceeding these thresholds.

Baseline alcohol consumption and spending by drinker group

	Population	Moderate	Hazardous	Harmful
Number of drinkers	2,024,569	1,551,647	386,439	86,483
Proportion of all drinkers	100.0%	76.6%	19.09%	4.27%
Mean consumption (units/drinker/week)	11.25	4.46	24.99	71.70
Mean spending on alcohol (£/drinker/week)	£15.37	£7.62	£32.20	£77.68

23. In Wales, adults who drink more than the recommended guidelines represent just 23.4% of all drinkers, yet they consume 69.6% of the total alcohol and are responsible for 60.5% of all alcohol spending. The top 4.3% of heaviest drinkers account for 27.2% of alcohol consumed and 21.7% of the total alcohol expenditure nationwide.

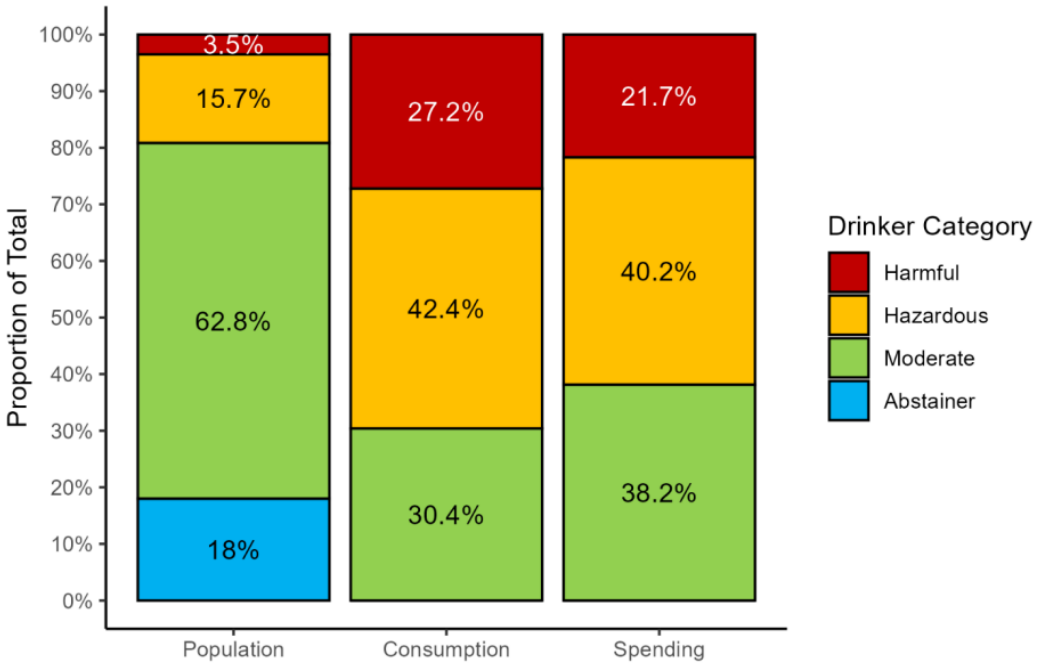

Table 1 - Distribution of the population, total alcohol consumption and total spending on alcohol between drinker groups at baseline[2]

24. The table highlights how beverage preferences vary across drinker groups. Heavier and hazardous drinkers tend to consume a greater share of beer and cider, and a smaller share of spirits, compared to moderate drinkers. However, in absolute terms, heavier drinkers still consume significantly more spirits overall.

[2] Figure 1 Sheffield Modelling Report 2025, page 30

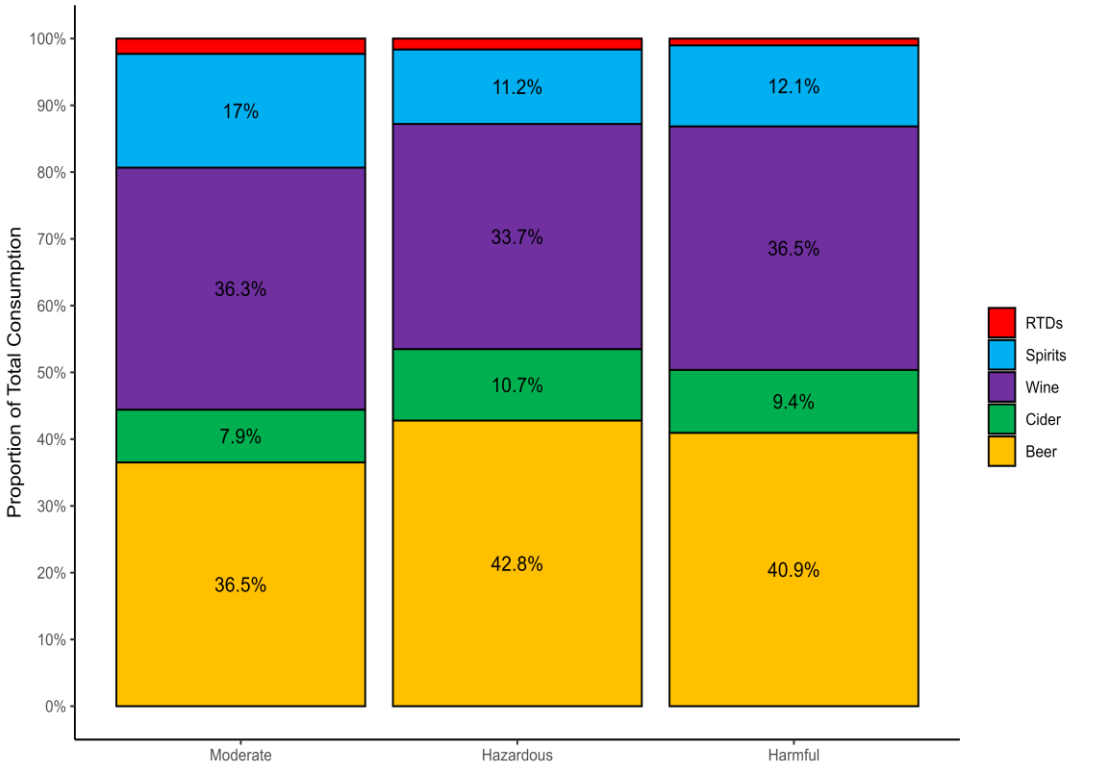

Table 2: Baseline alcohol consumption by beverage type and drinker group[3]

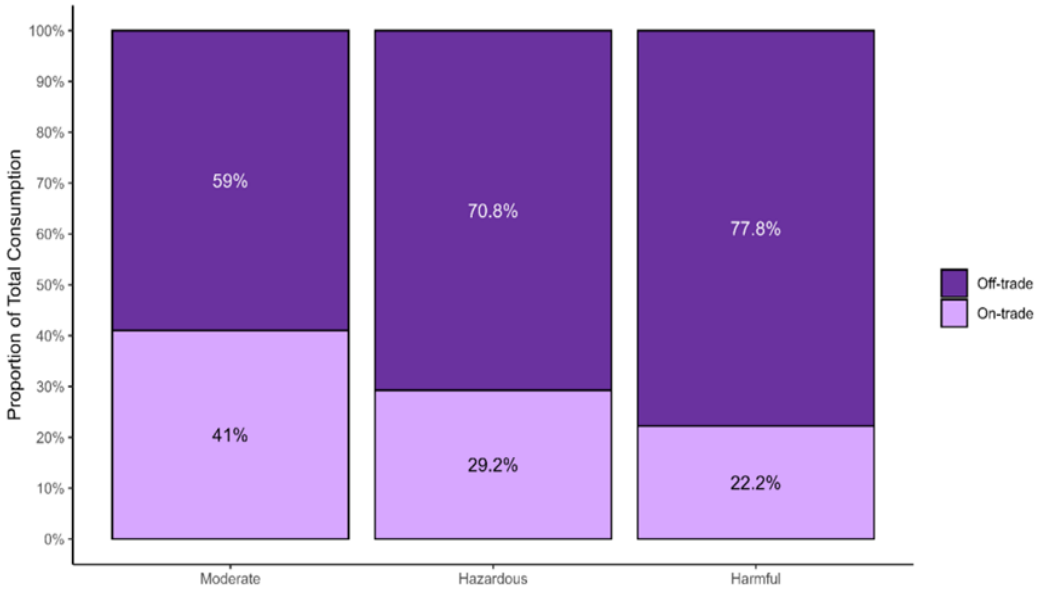

Table 3: Baseline alcohol consumption by channel and drinker group[4]

25. A breakdown of alcohol consumption by channel (on- and off-trade) and drinker group is shown in Table 3. These figures illustrate a huge difference in where alcohol is purchased between drinker groups, with moderate drinkers splitting their alcohol consumption almost equally between the on- and off-trades, while

[3] Figure 3 Sheffield Modelling Report 2025, page 31
[4] Figure 5 Sheffield Modelling Report, page 34

harmful drinkers purchase only one fifth of their alcohol in the on-trade. This differential is critical to the impact of alcohol pricing policies, as off-trade alcohol tends to be considerably cheaper than alcohol bought in pubs, bars, nightclubs and restaurants.

26. The consequences of these differences in purchasing preferences and behaviours for the average prices paid between different drinker groups are presented in Table 2. These tables demonstrate a clear price gradient over drinker groups, with heavier drinkers consuming cheaper alcohol (£1.08 per unit) than moderate drinkers (£1.71 per unit). This is in spite of the effect of the 50p MUP, which has not eliminated the differential in average prices paid between moderate, hazardous, and harmful drinkers.

	Population	Moderate	Hazardous	Harmful
All alcohol	£1.37	£1.71	£1.29	£1.08
Off-trade alcohol	£0.81	£0.86	£0.81	£0.76
On-trade alcohol	£2.59	£2.85	£2.43	32.29
Beer	£1.22	£1.40	£1.20	£1.08
Cider	£1.03	£1.15	£1.03	£0.91
Wine	£1.25	£1.46	£1.21	£1.08
Spirits	£1.79	£2.38	£1.63	£1.11
RTDs	£1.80	£2.00	£1.67	£1.64

Table 4: Baseline average prices paid for alcohol.[5]

27. In Wales, 5.6% of all alcohol sold is priced below 60p per unit. Purchases at this price point account for just 4.4% of alcohol consumed by moderate drinkers, compared to 6.9% among harmful drinkers. Additionally, 18.5% of alcohol sales occur below both the 70p and 80p per unit thresholds.

28. Regarding the impact of this alcohol consumption on population health the following table gives the estimated total number of deaths, hospital admissions and Years of Life Lost (YLLs) which are attributable to alcohol in 2026. Note that the mortality figures here include both deaths from conditions which are caused only by alcohol (known as ‘alcohol-specific’ deaths) and also conditions for which alcohol is one of potentially many risk factors, such as breast cancer or road traffic injuries (alcohol-attributable deaths).

29. These figures highlight the substantial burden that alcohol places on the population and healthcare services in Wales, with 699 deaths attributable to alcohol, 554 alcohol-specific deaths, 11243 hospital admissions and 23550 years

[5] Table 3 Sheffield Modelling Report, Page 35

of life lost to premature mortality as a result of alcohol consumption. These figures are for 2022-23, the baseline used in the modelling.

30. When broken out by drinker group (excluding non-drinkers), it shows that alcohol is estimated to *reduce* the number of deaths overall in moderate drinkers. As may be expected, alcohol-attributable harms are much greater in heavier drinking groups, particularly when we account for their relatively smaller sizes by calculating rates per 100,000 drinkers.

	Population	Moderate	Hazardous	Harmful
Annual alcohol-attributable deaths	699	-76	442	333
Annual alcohol-attributable deaths per 100,000 drinkers	35	-5	114	385
Annual alcohol-specific deaths	554	45	333	175
Annual alcohol-specific deaths per 100,000 drinkers	27	3	86	203
Annual alcohol-attributable hospital admissions	11,243	2,284	5,576	3,383
Annual alcohol-attributable hospital admissions per 100,000 drinkers	555	147	1,443	3,912
Annual YLLs to alcohol	23,550	408	13,248	9,894
Annual YLLs to alcohol per 100,000 drinkers	1,163	26	3,428	11,440

Table 5: Baseline alcohol-attributable health harms by drinker group[6]

31. The benefits, risks, costs and health impact assessments including hospital admissions and death rates are set out below and are assessed against the following options:
    Option 1 - Lowering or removing the minimum unit price below 50 pence per unit.
    Option 2 - Retaining the 50 pence per unit.
    Option 3 - Increasing above 50 to no more than 60 pence per unit.
    Option 4 - Increasing to 65 pence per unit.
    Option 5 - Above 65 pence per unit

Impact on alcohol consumption, drinker population and spending

32. This report uses the TAX-sim model, which allows for tracking changes in individual drinking behaviour over time, enabling dynamic reclassification of drinkers based on their current consumption. In contrast, previous reports relied on the SAPM model, which fixed individuals' drinking categories at baseline and did not account for changes over time. This shift means the current analysis more

[6] Table 6 Sheffield Modelling Report, page 38

accurately reflects real-world behaviour by capturing both changes in alcohol consumption levels and the evolving size of each drinker group. Further information on the TAX-sim model in comparison to the previous SAPM model utilised the SARG Group can be found within the modelling report.

33. The estimated effects of each comparison of MUP price levels are demonstrated against the tables below (Table 6 and Table 7). This analysis compares alcohol consumption in 2026 under a revised Minimum Price per unit of Alcohol (MUP) threshold with a counterfactual scenario in which the MUP remains unchanged at 50p.

34. These estimates show that removing MUP entirely or lowering the MUP threshold from 50p to 40p or 45p is estimated to increase alcohol consumption compared to retaining the threshold at 50p. In contrast, raising the MUP threshold above 50p is estimated to reduce alcohol consumption, with the largest reductions coming from those in the most deprived group.

	Absolute change	Relative change
Drinker population	2,024,568.98	
Mean consumption per drinker per week	11.25	
Change in weekly consumption vs. control		
Remove MUP	0.08	0.74%
40p MUP	0.03	0.30%
45p MUP	0.02	0.16%
50p MUP (control)	0.00	0.00%
55p MUP	-0.07	-0.64%
60p MUP	-0.16	-1.39%
65p MUP	-0.30	-2.68%
70p MUP	-0.49	-4.40%
75p MUP	-0.72	-6.38%
80p MUP	-1.06	-9.42%

Table 6: Modelled impacts on alcohol consumption in year 1 compared to control.[7]

[7] Table 8 Sheffield Modelling Report, Page 41

	WIMD Q1 (least deprived)	WIMD Q2	WIMD Q3	WIMD Q4	WIMD Q5 (most deprived)
Drinker population	407,110	419,687	423,884	392,429	381,458
Mean consumption per drinker per week	12.24	10.68	11.39	10.46	11.50
Absolute change in consumption vs. control					
Remove MUP	0.05	0.05	0.08	0.09	0.14
40p MUP	0.02	0.02	0.03	0.04	0.06
45p MUP	0.01	0.01	0.02	0.02	0.03
50p MUP (control)	0.00	0.00	0.00	0.00	0.00
55p MUP	-0.05	-0.05	-0.07	-0.08	-0.12
60p MUP	-0.11	-0.11	-0.16	-0.17	-0.25
65p MUP	-0.22	-0.20	-0.31	-0.32	-0.46
70p MUP	-0.37	-0.35	-0.52	-0.53	-0.73
75p MUP	-0.56	-0.52	-0.75	-0.76	-1.03
80p MUP	-0.86	-0.81	-1.10	-1.10	-1.46
Relative change in consumption vs. control					
Remove MUP	0.42%	0.49%	0.73%	0.87%	1.26%
40p MUP	0.18%	0.20%	0.29%	0.35%	0.51%
45p MUP	0.09%	0.11%	0.16%	0.19%	0.27%
50p MUP (control)	0.00%	0.00%	0.00%	0.00%	0.00%
55p MUP	-0.39%	-0.44%	-0.66%	-0.74%	-1.02%
60p MUP	-0.87%	-0.99%	-1.42%	-1.61%	-2.14%
65p MUP	-1.78%	-1.92%	-2.76%	-3.10%	-3.98%
70p MUP	-3.04%	-3.29%	-4.53%	-5.03%	-6.33%
75p MUP	-4.55%	-4.91%	-6.56%	-7.23%	-8.97%
80p MUP	-7.05%	-7.56%	-9.68%	-10.54%	-12.66%

Table 7: Modelled impacts on alcohol consumption by WIMD quintile in year 1 compared to control.[8]

[8] Table 9 Sheffield Modelling Report, page 42

	Moderate	Hazardous	Harmful
Absolute change in number of drinkers vs. control			
Remove MUP	-1,420	461	959
40p MUP	-660	299	361
45p MUP	-374	162	212
50p MUP (control)	0	0	0
55p MUP	2,453	-1,283	-1,171
60p MUP	5,604	-2,926	-2,677
65p MUP	11,270	-6,363	-4,906
70p MUP	18,430	-10,385	-8,044
75p MUP	26,935	-15,802	-11,133
80p MUP	40,969	-25,515	-15,454
Relative change in number of drinkers vs. control			
Remove MUP	-0.09%	0.12%	1.11%
40p MUP	-0.04%	0.08%	0.42%
45p MUP	-0.02%	0.04%	0.24%
50p MUP (control)	0.00%	0.00%	0.00%
55p MUP	0.16%	-0.33%	-1.35%
60p MUP	0.36%	-0.76%	-3.10%
65p MUP	0.73%	-1.65%	-5.67%
70p MUP	1.19%	-2.69%	-9.30%
75p MUP	1.74%	-4.09%	-12.87%
80p MUP	2.64%	-6.60%	-17.87%

Table 8: Modelled impacts of removing or changing the MUP threshold on the number of drinkers in each group.[9]

35. The data presented within the table above illustrates the distributional shifts in drinking behaviour across population groups in response to changes in the Minimum Price per unit of Alcohol (MUP). As anticipated, increasing the MUP leads to greater reductions in hazardous and harmful drinking, accompanied by an increase in moderate consumption. For instance, raising the MUP to 65p is projected to decrease the number of hazardous drinkers by 6,363 and harmful drinkers by 4,906, while increasing moderate drinkers by 11,270. Conversely, lowering the MUP threshold to 40p or 45p—or removing it altogether—is expected to reverse this trend, prompting a proportion of individuals to shift from moderate to hazardous, and from hazardous to harmful drinking levels. In particular, the complete removal of MUP in 2026 is estimated to result in an increase of 461 hazardous and 959 harmful drinkers, alongside a reduction of 1,420 moderate drinkers.

36. The extent to which changes in prices and resulting shifts in consumption combine to produce changes in overall consumer spending is shown in Table 9,

[9] Table 10 Sheffield Modelling Report, page 44

and by WIMD quintile in Table 10. Across all drinkers, reducing or removing the MUP threshold is estimated to increase spending; while raising it reduces spending.

	Absolute change	Relative change
Drinker population	2,024,569	
Mean spending per drinker per week (control)	£15.37	
Change in weekly spending vs. control		
Remove MUP	£0.05	0.16%
40p MUP	£0.02	0.05%
45p MUP	£0.01	0.02%
50p MUP (control)	£0.00	0.00%
55p MUP	-£0.04	-0.12%
60p MUP	-£0.09	-0.27%
65p MUP	-£0.13	-0.40%
70p MUP	-£0.20	-0.61%
75p MUP	-£0.30	-0.93%
80p MUP	-£0.49	-1.52%

Table 9: Modelled impacts on consumer spending in year 1 compared to control.[10]

[10] Table 11 Sheffield Modelling Report, page 47

	WIMD Q1 (least deprived)	WIMD Q2	WIMD Q3	WIMD Q4	WIMD Q5 (most deprived)
Drinker population	407,110	419,687	423,884	392,429	381,458
Mean spending per drinker per week	£16.89	£15.04	£15.36	£14.45	£15.06
Absolute change in spending vs. control					
Remove MUP	£0.04	£0.04	£0.04	£0.06	£0.08
40p MUP	£0.01	£0.01	£0.01	£0.02	£0.03
45p MUP	£0.00	£0.00	£0.00	£0.01	£0.01
50p MUP (control)	£0.00	£0.00	£0.00	£0.00	£0.00
55p MUP	-£0.02	-£0.03	-£0.03	-£0.05	-£0.07
60p MUP	-£0.06	-£0.07	-£0.07	-£0.10	-£0.14
65p MUP	-£0.06	-£0.09	-£0.12	-£0.17	-£0.23
70p MUP	-£0.08	-£0.12	-£0.19	-£0.25	-£0.36
75p MUP	-£0.12	-£0.18	-£0.31	-£0.37	-£0.55
80p MUP	-£0.23	-£0.30	-£0.52	-£0.61	-£0.85
Relative change in spending vs. control					
Remove MUP	0.12%	0.13%	0.14%	0.18%	0.24%
40p MUP	0.04%	0.04%	0.04%	0.06%	0.09%
45p MUP	0.01%	0.01%	0.01%	0.02%	0.03%
50p MUP (control)	0.00%	0.00%	0.00%	0.00%	0.00%
55p MUP	-0.07%	-0.10%	-0.11%	-0.15%	-0.22%
60p MUP	-0.16%	-0.21%	-0.23%	-0.34%	-0.45%
65p MUP	-0.17%	-0.27%	-0.38%	-0.54%	-0.73%
70p MUP	-0.21%	-0.38%	-0.61%	-0.82%	-1.14%
75p MUP	-0.33%	-0.57%	-0.97%	-1.21%	-1.72%
80p MUP	-0.63%	-0.95%	-1.60%	-1.96%	-2.68%

Table 10: Modelled impacts of removing or changing minimum unit price threshold n consumer spending on alcohol by WIMD quintile.[11]

Impacts on tax and retailer revenues.

37. The projected effects on tax and retail revenues are reported as cumulative totals over the five-year period from 2026 to 2030.

[11] Table 12 Sheffield Modelling Report, page 49

38. The estimated impacts that these changes in alcohol consumption and spending have on revenue to the government through alcohol duty and VAT, separated into the revenue collected through the on- and off-trades, is shown in Table 11. Alcohol duty and VAT represent economic transfers (paid by consumers to the government) and have zero net economic impact.

39. Adjustments to the Minimum Price per unit of Alcohol (MUP) threshold are projected to have differing impacts on exchequer revenue. A reduction or removal of the MUP threshold is estimated to result in increased alcohol tax revenue, whereas raising the threshold is expected to lead to a decline in such revenue. These effects are most pronounced within the off-trade sector, as off-trade prices are directly influenced by the MUP threshold. In contrast, on-trade prices typically exceed the levels being modelled and are therefore less affected by changes to the threshold.

40. Declines in tax revenue from on-trade alcohol are attributed to cross-price elasticities, whereby increases in off-trade alcohol prices lead to reduced consumption not only in the off-trade sector but also in the on-trade. This indicates that on-trade and off-trade alcohol products act as complements in consumer purchasing behaviour.

	Estimated change in 5-year cumulative duty & VAT revenue to government (£million)		
	Off-trade	On-trade	Total
Absolute change in revenue vs. control			
Remove MUP	£17	£5	£22
40p MUP	£7	£2	£9
45p MUP	£3	£1	£4
50p MUP (control)	£0	£0	£0
55p MUP	-£16	-£6	-£22
60p MUP	-£46	-£6	-£52
65p MUP	-£95	-£14	-£109
70p MUP	-£151	-£32	-£184
75p MUP	-£218	-£39	-£257
80p MUP	-£322	-£53	-£374
Relative change in revenue vs. control			
Remove MUP	0.50%	0.20%	0.36%
40p MUP	0.21%	0.06%	0.14%
45p MUP	0.10%	0.04%	0.07%
50p MUP (control)	0.00%	0.00%	0.00%
55p MUP	-0.49%	-0.22%	-0.37%
60p MUP	-1.37%	-0.23%	-0.86%
65p MUP	-2.85%	-0.52%	-1.80%
70p MUP	-4.55%	-1.17%	-3.02%
75p MUP	-6.55%	-1.42%	-4.23%
80p MUP	-9.66%	-1.91%	-6.15%

Table 11: Modelled impacts on 5-year cumulative exchequer revenue from alcohol taxes 2026-2030 compared to control.[12]

41. The modelling assessed how changes in consumer spending—after adjusting for taxation—could impact retailer revenue. However, due to a lack of available data on production costs and retailer overheads, these factors were not included in the estimates. As shown in Table 12, an increase in the Minimum Price per unit of Alcohol (MUP) is projected to raise revenues for off-trade retailers while reducing revenues for on-trade businesses. Overall, total retail revenues are estimated to rise if the MUP threshold is lowered or removed and fall if the threshold is increased.

[12] Table 13 Sheffield Modelling Report, page 50

	Estimated change in 5-year cumulative revenue to retailers (£million)		
	Off-trade	On-trade	Total
Absolute change in revenue vs. control			
Remove MUP	£3	£16	£19
40p MUP	£1	£5	£6
45p MUP	-£1	£3	£2
50p MUP (control)	£0	£0	£0
55p MUP	£4	-£17	-£13
60p MUP	-£4	-£18	-£22
65p MUP	£5	-£41	-£36
70p MUP	£31	-£93	-£62
75p MUP	£50	-£111	-£61
80p MUP	£61	-£148	-£87
Relative change in revenue vs. control			
Remove MUP	0.09%	0.19%	0.16%
40p MUP	0.02%	0.06%	0.05%
45p MUP	-0.02%	0.04%	0.02%
50p MUP (control)	0.00%	0.00%	0.00%
55p MUP	0.11%	-0.21%	-0.11%
60p MUP	-0.10%	-0.23%	-0.19%
65p MUP	0.13%	-0.51%	-0.31%
70p MUP	0.84%	-1.15%	-0.52%
75p MUP	1.35%	-1.37%	-0.51%
80p MUP	1.66%	-1.83%	-0.73%

Table 12: Modelled impacts on 5-year cumulative retailer revenue from alcohol sales (excluding taxes) 2026-2030 compared to control.[13]

Health Outcomes

42. The projected outcomes from the modelling states that it can take up to 20 years for changes in alcohol consumption to fully impact the risk of alcohol-related health conditions and as such the complete health effects of each policy model are expected to be seen by 2045. For this section, unless stated otherwise, all results in this section are presented as cumulative figures over a 20-year period, from 2026 to 2045.

43. Table 13 show the total change in deaths from all causes under each MUP scenario, compared to the baseline assumption that the 50p Minimum Unit Price remains in place. Table 14 presents the corresponding figures for alcohol-specific deaths.

[13] Table 14 Sheffield Modelling Report, page 51

44. The findings suggest that lowering or removing the MUP threshold is likely to result in a small increase in mortality. For example, removing the MUP could lead to around 200 additional deaths from all causes, including 160 more alcohol-specific deaths.

45. In contrast, raising the MUP threshold is projected to reduce mortality. A 65p MPA, for instance, is estimated to prevent approximately 902 deaths from all causes, including 628 alcohol-specific deaths.

46. Harmful drinkers, who are most at risk of alcohol-related harm, are more sensitive to price increases than to price decreases. When prices rise, they reduce consumption, leading to large health benefits. When prices fall, their consumption does increase, but not as dramatically. Many harmful drinkers are already consuming at high levels, so removing MUP only adds a small amount to an already risky pattern. In contrast, raising MUP cuts into that high-risk consumption, producing a large reduction in harm.

	Year 1	Cumulative over 5 years	Cumulative over 20 years
Absolute change in deaths vs. control			
Remove MPA	3	41	200
40p MPA	2	17	105
45p MPA	1	9	37
50p MPA (control)	0	0	0
55p MPA	-7	-38	-178
60p MPA	-17	-92	-430
65p MPA	-37	-188	-902
70p MPA	-61	-296	-1,586
75p MPA	-93	-405	-2,272
80p MPA	-133	-557	-3,187
Change in deaths per 100,000 person years vs. control			
Remove MPA	0	0	0
40p MPA	0	0	0
45p MPA	0	0	0
50p MPA (control)	0	0	0
55p MPA	0	0	0
60p MPA	-1	-1	-1
65p MPA	-2	-2	-2
70p MPA	-2	-2	-4
75p MPA	-4	-3	-5
80p MPA	-5	-5	-7

Table 13: Modelled impacts of removing or changing the MPA threshold on all-cause mortality[14]

[14] Table 15 Sheffield Modelling Report, page 53

	Year 1	Cumulative over 5 years	Cumulative over 20 years
Absolute change in alcohol-specific deaths vs. control			
Remove MPA	2	23	160
40p MPA	1	10	73
45p MPA	0	5	34
50p MPA (control)	0	0	0
55p MPA	-5	-25	-125
60p MPA	-9	-57	-312
65p MPA	-22	-116	-628
70p MPA	-33	-177	-1,063
75p MPA	-49	-237	-1,549
80p MPA	-71	-325	-2,210
Relative change vs. control			
Remove MPA	0.43%	0.73%	1.13%
40p MPA	0.21%	0.32%	0.51%
45p MPA	0.08%	0.16%	0.24%
50p MPA (control)	0.00%	0.00%	0.00%
55p MPA	-0.84%	-0.78%	-0.88%
60p MPA	-1.70%	-1.80%	-2.20%
65p MPA	-3.96%	-3.67%	-4.43%
70p MPA	-5.97%	-5.61%	-7.51%
75p MPA	-8.80%	-7.52%	-10.94%
80p MPA	-12.85%	-10.31%	-15.60%

Table 14: Modelled impacts of removing or changing the MPA threshold on alcohol-specific mortality[15]

47. The changes in 20-year cumulative all-cause mortality are separated by WIMD quintile and presented in Table 15. The largest reductions in mortality when increasing the MPA threshold are in the most deprived groups.

[15] Table 16, Sheffield Modelling Report, page 54

	WIMD Q1 (least deprived)	WIMD Q2	WIMD Q3	WIMD Q4	WIMD Q5 (most deprived)
Absolute change in deaths vs. control					
Remove MPA	19	28	52	15	85
40p MPA	8	11	25	18	42
45p MPA	4	5	9	9	8
50p MPA (control)	0	0	0	0	0
55p MPA	-6	-20	-35	-18	-99
60p MPA	-31	-53	-95	-54	-198
65p MPA	-71	-88	-204	-150	-389
70p MPA	-155	-158	-347	-303	-623
75p MPA	-274	-204	-545	-410	-840
80p MPA	-502	-309	-722	-565	-1,089
Change in deaths per 100,000 person years vs. control					
Remove MPA	0	0	1	0	1
40p MPA	0	0	0	0	0
45p MPA	0	0	0	0	0
50p MPA (control)	0	0	0	0	0
55p MPA	0	0	0	0	-1
60p MPA	0	-1	-1	-1	-2
65p MPA	-1	-1	-2	-2	-4
70p MPA	-2	-2	-4	-3	-6
75p MPA	-3	-2	-6	-4	-9
80p MPA	-6	-4	-8	-6	-11

Table 15: Modelled impacts of removing or changing the MPA threshold on all-cause mortality by WIMD quintile[16]

48. Table 16 and table 17 shows the year-on-year change in mortality under the 65p MUP scenario, with deaths averted increasing initially before stabilising after 4–5 years. This pattern reflects three key factors: time lags in health outcomes, where the full impact of reduced alcohol consumption—

[16] Table 17 Sheffield Modelling Report, page 56

49. especially for chronic conditions like cancer—can take up to 20 years to emerge; mortality selection, where those at highest risk (heavy drinkers) are more likely to die earlier, gradually lowering average consumption and mortality; and mortality displacement, where deaths are delayed rather than prevented, meaning some individuals whose lives are extended by the policy will still die within the model's timeframe, a dynamic captured in the years of life lost (YLL) figures.

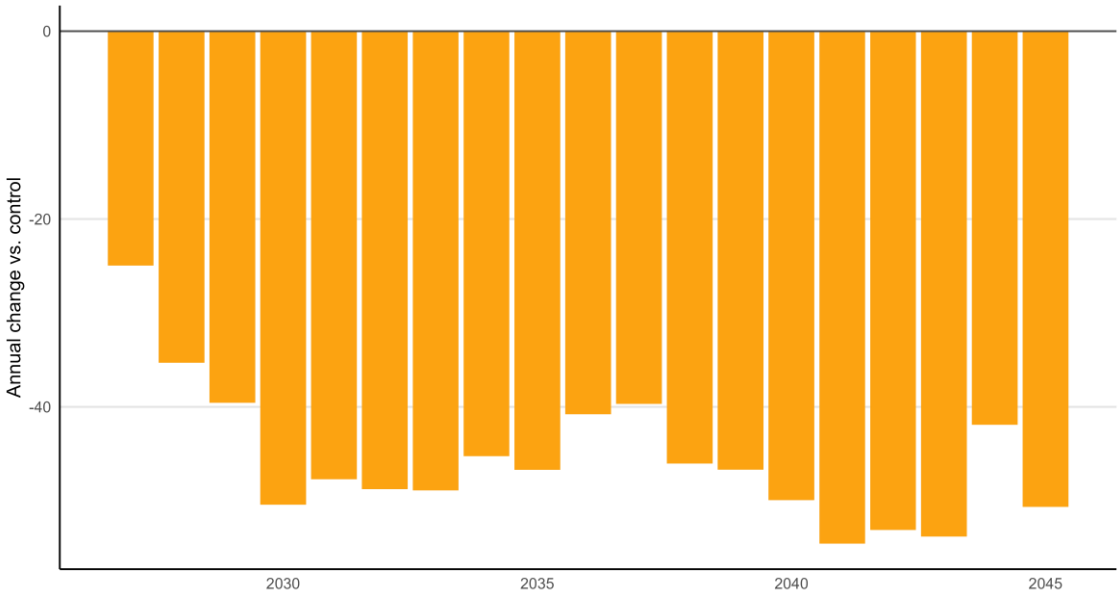

Table 16: Modelled changes in all-cause mortality over time under a 65p MPA[17]

[17] Figure 18 Sheffield Modelling Report, page 59

	Year 1	Cumulative over 5 years	Cumulative over 20 years
	Absolute change in hospital admissions vs. control		
Remove MPA	29	370	1,830
40p MPA	14	151	816
45p MPA	7	75	362
50p MPA (control)	0	0	0
55p MPA	-58	-364	-1,499
60p MPA	-133	-851	-3,619
65p MPA	-308	-1,692	-7,270
70p MPA	-543	-2,782	-12,864
75p MPA	-800	-3,839	-19,010
80p MPA	-1,131	-5,332	-27,259
Change in admissions per 100,000 person years vs. control			
Remove MPA	1	3	4
40p MPA	1	1	2
45p MPA	0	1	1
50p MPA (control)	0	0	0
55p MPA	-2	-3	-3
60p MPA	-5	-7	-8
65p MPA	-12	-14	-16
70p MPA	-22	-23	-28
75p MPA	-32	-31	-42
80p MPA	-46	-44	-60

Table 17: Modelled impacts of removing or changing the MPA threshold on cumulative hospital admissions[18]

50. Table 18 builds on the 65p MUP scenario by breaking down mortality impacts by health condition, with the dashed black line showing the overall trend from Table 16. The gradual rise in alcohol-related deaths averted, particularly the delayed reduction in alcohol-related cancer deaths until 2038, reflects time lags in health outcomes. In contrast, mortality selection reduces long-term benefits as high-risk individuals die earlier, lowering average consumption. Mortality displacement is shown by grey bars indicating increased deaths from non-alcohol-related causes among those whose premature alcohol-related deaths were prevented. Together, these effects explain the initial rise and later stabilisation in mortality benefits over the 20-year period.

[18] Table 18 Sheffield Modelling Report, page 66

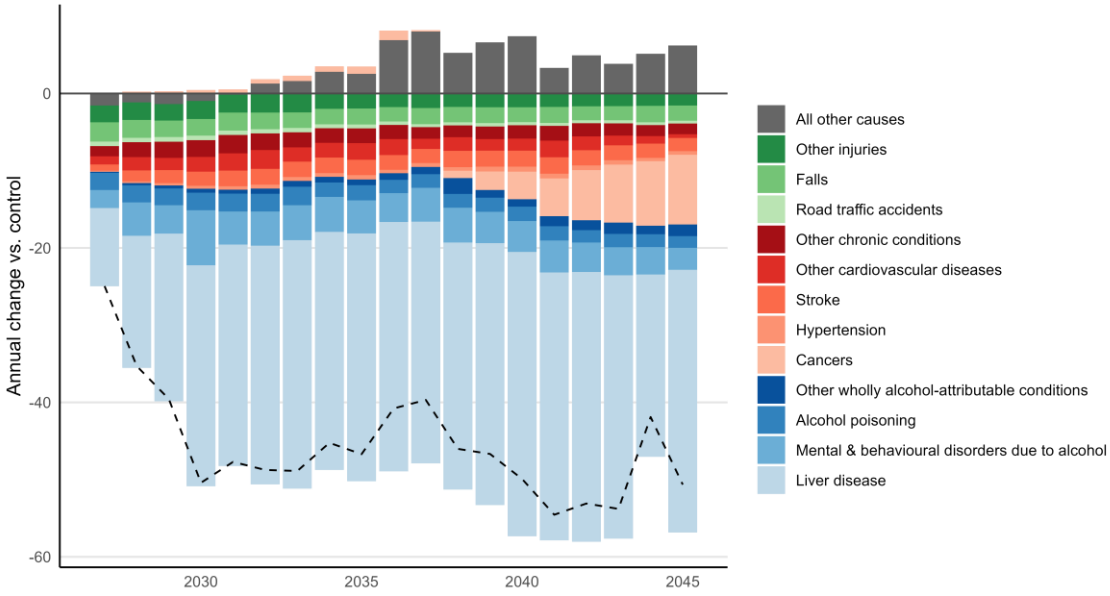

Table 18: Modelled changes in all-cause mortality over time under a 65p MPA by condition [19]

51. Modelling results showing the impact of each MUP range on cumulative hospital admissions are presented in Table 17 and by WIMD quintile in Table 19 1.19. These follow a similar pattern to the mortality results, with higher MUP thresholds leading to greater reductions in admissions, particularly in more deprived groups.

[19] Figure 19 Sheffield Modelling Report, page 63

	WIMD Q1 (least deprived)	WIMD Q2	WIMD Q3	WIMD Q4	WIMD Q5 (most deprived)
Absolute change in hospital admissions vs. control					
Remove MPA	170	214	371	312	764
40p MPA	72	80	152	126	385
45p MPA	35	36	67	62	162
50p MPA (control)	0	0	0	0	0
55p MPA	-84	-172	-292	-254	-697
60p MPA	-308	-435	-797	-577	-1,502
65p MPA	-683	-785	-1,652	-1,277	-2,874
70p MPA	-1,473	-1,382	-2,851	-2,386	-4,772
75p MPA	-2,543	-1,910	-4,653	-3,293	-6,611
80p MPA	-4,638	-2,863	-6,200	-4,595	-8,964
Change in admissions per 100,000 person years vs. control					
Remove MPA	2	3	4	3	8
40p MPA	1	1	2	2	4
45p MPA	0	0	1	1	2
50p MPA (control)	0	0	0	0	0
55p MPA	-2	-2	-3	-3	-7
60p MPA	-4	-5	-9	-7	-16
65p MPA	-9	-9	-18	-14	-30
70p MPA	-18	-16	-31	-25	-49
75p MPA	-31	-22	-49	-34	-69
80p MPA	-56	-33	-66	-48	-93

Table 19: Modelled impacts of removing or changing the MPA threshold on 20-year cumulative hospital admissions by WIMD quintile[20]

52. Table 1.20 presents the estimated impact of each policy scenario on Years of Life Lost (YLL) due to premature death, with a breakdown by WIMD quintile shown in Table 1.21. As expected, these results closely mirror the patterns observed in the mortality analysis.

[20] Table 19 Sheffield Modelling Report, page 68

	Year 1	Cumulative over 5 years	Cumulative over 20 years
Absolute change in YLLs vs. control			
Remove MPA	100	1,311	7,253
40p MPA	51	546	3,289
45p MPA	23	281	1,528
50p MPA (control)	0	0	0
55p MPA	-209	-1,199	-5,834
60p MPA	-434	-2,813	-14,691
65p MPA	-1,017	-5,867	-29,825
70p MPA	-1,678	-9,293	-51,522
75p MPA	-2,523	-12,557	-76,055
80p MPA	-3,529	-17,127	-108,600
Change in YLLs per 100,000 person years vs. control			
Remove MPA	4	11	16
40p MPA	2	4	7
45p MPA	1	2	3
50p MPA (control)	0	0	0
55p MPA	-8	-10	-13
60p MPA	-18	-23	-32
65p MPA	-41	-48	-65
70p MPA	-68	-76	-111
75p MPA	-102	-102	-163
80p MPA	-143	-140	-233

Table 20: Modelled impacts of removing or changing the MPA threshold on cumulative YLLs to premature death[21]

[21] Table 20, Sheffield Modelling Report, page 69

	WIMD Q1 (least deprived)	WIMD Q2	WIMD Q3	WIMD Q4	WIMD Q5 (most deprived)
Absolute change in YLLs vs. control					
Remove MPA	522	638	1,524	1,247	3,322
40p MPA	228	241	597	534	1,688
45p MPA	115	114	282	247	770
50p MPA (control)	0	0	0	0	0
55p MPA	-225	-463	-1,250	-967	-2,929
60p MPA	-963	-1,220	-3,538	-2,360	-6,611
65p MPA	-2,262	-2,219	-7,581	-5,240	-12,523
70p MPA	-5,315	-3,841	-12,513	-9,656	-20,197
75p MPA	-9,704	-5,077	-20,326	-13,328	-27,619
80p MPA	-19,317	-7,556	-26,420	-18,412	-36,895
Change in YLLs per 100,000 person years vs. control					
Remove MPA	6	7	15	13	33
40p MPA	3	3	6	6	17
45p MPA	1	1	3	3	8
50p MPA (control)	0	0	0	0	0
55p MPA	-5	-5	-13	-10	-29
60p MPA	-13	-14	-38	-25	-67
65p MPA	-30	-25	-79	-53	-127
70p MPA	-64	-44	-130	-97	-204
75p MPA	-117	-60	-208	-133	-279
80p MPA	-229	-88	-272	-185	-374

Table 21: Modelled impacts of removing or changing the MPA threshold on cumulative YLLs by WIMD quintile[22]

53. Table 22 shows the projected impact of each modelled MPA policy on NHS hospital admission costs, compared to maintaining the current 50p MPA in 2026. It presents the cumulative cost changes over both the first 5 years and the full 20-year modelling period.

[22] Table 21 Sheffield Modelling Report, page 70

	Change in NHS hospital admissions costs (£m)	
	Cumul. 5yr	Cumul. 20yr
Remove MPA	£0.7	£3.7
40p MPA	£0.3	£1.7
45p MPA	£0.2	£0.7
50p MPA (control)	£0.0	£0.0
55p MPA	-£0.7	-£3.1
60p MPA	-£1.7	-£7.4
65p MPA	-£3.3	-£14.9
70p MPA	-£5.5	-£26.2
75p MPA	-£7.6	-£38.6
80p MPA	-£10.6	-£55.3

Table 22: Modelled impact of policies on NHS hospital costs cumulatively over 5 and 20 years following policy implementation - undiscounted[23]

Sensitivity analyses

Table 23[24] shows the impact of the three sets of alternative assumptions on the modelled estimates of changes in alcohol consumption and spending under a 65p MPA. This illustrates that there is a slightly larger estimated impact on consumption and spending when applying all (including insignificant) Pryce et al. elasticities (SA1) compared to the base case (statistically significant elasticities only). When the modelling uses own-price elasticities only (SA2) there is a considerably smaller estimated reduction in alcohol consumption and an *increase* rather than a decrease in spending. There is a similar comparison with using the OBR price elasticities (SA3), with smaller consumption reductions and an increase in consumer spending. Notably, the OBR elasticities also include own-price elasticities only.

[23] Table 22 Sheffield Modelling Report, page 71
[24] Table 23 Sheffield Modelling Report, page 72

	Base Case elasticities	SA1 - All Pryce elasticities	SA2 - Own-price elasticities only	SA3 - HMRC/OBR elasticities
Baseline alcohol consumption (units/drinker/week)	11.3	11.3	11.1	11.1
Absolute change under 65p MPA vs.control	-0.3	-0.3	-0.2	-0.2
Relative change vs. control	-2.68%	-2.95%	-2.13%	-1.68%
Baseline spending (£/drinker/week)	£32.49	£32.71	£32.10	£32.17
Absolute change under 65p MPA vs.control	-£0.13	-£0.20	£0.04	£0.12
Relative change vs. control	-0.40%	-0.61%	0.12%	0.38%

Table 23: Modelled impacts of alternative model assumptions on alcohol consumption and spending for a 65p MPA

The impact of these sensitivity analyses on health outcomes is shown in Table 24[25]. These demonstrate a similar pattern to the consumption results in Table 23, with relatively small differences between the base case and SA1, while SA2 and SA3 show smaller overall impacts on deaths, hospital admissions and YLLs. Table 25[26] shows the impact of the alternative model assumptions on the impact on NHS costs of increasing the MPA threshold to 65p. These again show similar patterns to Table 24, with similar changes in the base case and SA1, and smaller impacts in SA2 and SA3.

[25] Table 24, Sheffield Modelling Report, page 73
[26] Table 25, Sheffield Modelling Report, page 73

	Base Case elasticities	SA1 - All Pryce elasticities	SA2 - Own-price elasticities only	SA3 - HMRC/OBR elasticities
Annual alcohol-attributable deaths	699	704	682	684
Absolute cumulative change in deaths under 65p MPA vs. control over 20 years	-902	-982	-722	-633
Annual alcohol-attributable hospital admissions	11,243	11,303	11,069	11,078
Absolute cumulative change in hospital admissions under 65p MPA vs. control over 20 years	-7,270	-7,843	-5,890	-5,142
Annual YLLs to alcohol per 100,000 drinkers	1,163	1,172	1,137	1,139
Absolute cumulative change in YLLs under 65p MPA vs. control over 20 years	-29,825	-31,983	-23,882	-20,988

Table 24: Modelled impacts of alternative model assumptions on health harms for a 65p MPA

	Base Case elasticities	SA1 - All Pryce elasticities	SA2 - Own-price elasticities only	SA3 - HMRC/OBR elasticities
Change in NHS hospital admissions costs in 2026 vs. control under 65p MPA (£m)	-£0.6	-£0.7	-£0.5	-£0.3
Change in NHS hospital admissions costs (cumulative 5-year) vs. control under 65p MPA (£m)	-£3.3	-£3.7	-£2.5	-£2.1
Change in NHS hospital admissions costs (cumulative 20-year) vs. control under 65p MPA (£m)	-£14.9	-£16.1	-£12.0	-£10.4

Table 25: Modelled impacts of alternative model assumptions on NHS hospital costs for a 65p MPA

Option 1 - Lowering or removing the minimum unit price below 50 pence per unit.

Benefits

54. Despite the risks, detailed below, associated with reducing or removing the MUP there would be minimal market impact, current market data suggests that the influence of the 50ppu threshold may be diminishing. As of the latest estimates, 94.4% of alcohol is sold above 60ppu, including 93.1% of alcohol consumed by heavy drinkers. This indicates that the 50ppu MUP may no longer be significantly affecting the price of the cheapest alcohol products, potentially limiting the practical impact of any change.

Risks

55. Modelling suggests that reducing the MUP threshold below the current 50 pence per unit (ppu), would lead to an overall increase in alcohol consumption and health harms. This is projected to result in greater alcohol-related health harms, with the most significant impacts observed among individuals in the most deprived communities.

56. While MUP sets a price floor, products currently constrained by the 50ppu threshold could and most likely would re-enter the market at lower prices if the threshold is reduced. This could lead to the re-emergence of high-strength alcohol products at low cost, undermining public health objectives.

57. Evidence from the Sheffield Alcohol Policy Model indicates that reducing the MUP to 40p or 45p—or removing it entirely—could lead to a shift in drinking behaviours and patterns. Specifically, some individuals may transition from moderate to hazardous drinking, and others from hazardous to harmful levels. If MUP were removed altogether, projections for 2026 estimate an increase of 461 hazardous drinkers and 959 harmful drinkers, alongside a reduction of 1,420 moderate drinkers.

58. Lowering or removing the MUP threshold would contradict the core aim of Welsh Government policy to reduce alcohol-related harm and address health inequalities. It would also be inconsistent with the Welsh Government's broader commitment to minimising the negative health impacts of alcohol consumption.

Option 2 - Retaining the 50 pence per unit.

Benefits

59. Evaluation findings and the Operation and Effect Report indicate that the 50 pence per unit (ppu) threshold has been effective in supporting the overarching aims of the minimum unit pricing legislation. The policy has contributed positively

to reducing alcohol-related harm and has been implemented successfully in Wales.

60. Independent evaluations have provided a broadly positive assessment of the MUP as a public health measure. They recommend that the Welsh Government retain MUP as a policy tool, recognising its value in addressing alcohol-related harm and health inequalities.

Risks

61. Since its introduction in March 2020, the real-terms value of the 50ppu threshold has declined due to inflation and rising living costs. High inflation during 2022–2023, in particular, has significantly reduced the purchasing power of the MUP. When adjusted using the Consumer Prices Index including owner occupiers' housing costs (CPIH), the 50ppu threshold in 2026 is equivalent to just 39p in 2020 prices.

62. As noted in recent modelling and evaluations, the current 50ppu threshold is no longer significantly influencing the price of the cheapest alcohol products and as stated above is the equivalent to 39p on 2020 prices. This suggests that the policy's ability to affect consumer behaviour and reduce consumption of low-cost, high-strength alcohol has weakened over time.

63. The primary recommendation from evaluators is that the Welsh Government should not allow the MUP to lapse and this is reflected in the outcome of the Operation and Effect Report consultation phases also.

Option 3 - Increasing above 50 to no more than 60 pence per unit.

Benefits

64. Increasing the MUP to 55ppu or 60ppu would represent a step toward restoring the policy's effectiveness, which has been eroded by inflation since the introduction of the 50ppu threshold. Whilst there would be incremental public health gains at 55ppu a 60ppu level, in particular, would be more closely aligned with maintaining the current benefits of the policy and could deliver modest additional public health improvements.

65. Compared to higher thresholds, such as 65ppu or above, a more moderate increase to 55ppu or 60ppu would likely result in less disruption to the alcohol market and reduced impact on industry, particularly those selling mid-range and premium products.

Risks

66. While both 55ppu and 60ppu represent increases from the current rate, they may still fall short of keeping pace with inflation. For example, modelling suggests that the real-terms value of 50ppu in 2026 is equivalent to just 39p in 2020 prices. As such, a 55ppu threshold would potentially be an insufficient adjustment, when taking into consideration inflation, to sustain the intended public health benefits of the policy over time.

67. A smaller increase may only marginally improve the policy's impact leading to a limited long-term effectiveness and could lead to diminishing returns in terms of reducing alcohol-related harm. Without a more substantial adjustment, the effectiveness of MUP as a public health intervention may continue to decline.

68. Whilst 55ppu and 60ppu offer some improvement, they may not deliver the level of impact required to meet the objective of enhancing public health benefits, in particular those achieved under the original introduction of the policy.

Option 4 - Increasing to 65 pence per unit.

Benefits

69. Modelling from the Sheffield Alcohol Policy Model projects significant public health gains by increasing the MUP to 65 pence per unit. Over a 20-year period, this change is estimated to prevent 902 all-cause deaths, including 628 alcohol-specific deaths. In the first year alone, 22 alcohol-specific deaths could be averted.

70. The proposed increase is expected to reduce the number of hazardous drinkers by approximately 6,363 and harmful drinkers by 4,906, while encouraging a shift toward moderate consumption, with an estimated increase of 11,270 moderate drinkers. The policy is expected to have the greatest impact in areas with higher levels of alcohol-related harm, supporting the Welsh Government's commitment to reducing health inequalities.

71. Whilst the 60ppu threshold proposed some improvement, a 65ppu MUP is projected to deliver even greater health benefits, including additional lives saved in the first year of implementation.

72. The current 50ppu threshold has become less effective due to inflation and market trends and by 2026, over 93% of alcohol is expected to be sold above 60ppu, even among heavy drinkers and those in the most deprived areas. Raising the threshold to 65ppu would restore the policy's ability to influence the price of the cheapest, most harmful alcohol products.

73. During the 2025 consultation on the Operation and Effect of MUP since its inception, several organisations recommended increasing the threshold to 65ppu. This would align Wales with Scotland, which raised its MUP in September 2024, and would support consistency for national retailers and suppliers operating across both nations.

Risks

74. While the increase may affect a small segment of the alcohol market, particularly low-cost, high-strength products, this aligns with the original intention of the policy when first introduced. However, the overall disruption is expected to be limited due to the high proportion of alcohol already sold above the proposed threshold.

75. As with any price-based intervention, there may be concerns about affordability among certain consumer groups. However, the policy is designed to target the cheapest, strongest alcohol products most associated with harmful drinking patterns.

Option 5 - Above 65 pence per unit

Benefits

76. Increasing the MUP beyond 65 pence per unit (e.g. to 70, 75, or 80ppu) would likely deliver greater reductions in alcohol-related harm and enhancing the public health impact by further discouraging the consumption of cheap, high-strength alcohol. This could amplify the positive health outcomes already associated with MUP.

Risks

77. A price increase above 65ppu would represent a substantial rise beyond inflation and could affect up to 80% of alcohol products on the market and provide significant disruption, including some premium brands. This would mark a significant shift from the current policy scope and could be perceived as a more disruptive intervention.

78. The Welsh Government recognises that higher MUP thresholds would have a more pronounced impact on both consumers and the alcoholic drinks industry. This includes potential implications for pricing strategies, product availability, and consumer choice.

79. While acknowledging the potential for greater health benefits, setting the MUP above 65ppu would not strike an appropriate balance between public health objectives and the broader economic impact on the sector.

Costs

80. In Wales, 5.6% of all alcohol sold is priced below 60p per unit. Purchases at this price point account for just 4.4% of alcohol consumed by moderate drinkers, compared to 6.9% among harmful drinkers. Additionally, 18.5% of alcohol sales occur below both the 70p and 80p per unit thresholds.

Consumer Spending on alcohol

81. Across all drinkers, reducing or removing the MPU threshold is estimated to increase spending; while raising it reduces spending.

82. The Sheffield Modelling Report estimates the change in weekly alcohol spending per drinker across the entire drinking population (approximately 2 million individuals) under various Minimum Unit Price (MUP) scenarios, compared to the baseline of 50p per unit.

Baseline Spending

83. Under the current 50p MUP, the average weekly spend per drinker is estimated at £32.49 and removing the threshold entirely results in a small increase in weekly spending (+£0.05 or +0.16%).

84. By reducing MUP from its current rate to 40p or 45p also leads to marginal increases in spending of +£0.02 and +£0.01 respectively.

85. Raising MUP above 50p leads to a gradual reduction in weekly spending:

    At 55p, spending falls by £0.04 (-0.12%).
    At 65p, the reduction is £0.13 (-0.40%).
    At 80p, the reduction reaches £0.49 per week (-1.52%).

86. The changes in spending are relatively modest across all scenarios, with the largest reduction (at 80ppu) still representing less than 2% of average weekly alcohol expenditure.

87. These findings suggest that while MUP adjustments influence consumer spending, the financial impact on individual drinkers is limited in scale, especially when weighed against the potential public health benefits.

88. As set out in paragraph 8 the independent evaluations of MUP in Wales identified several unintended consequences. While the policy successfully removed cheap, high-strength alcohol from the market and achieved high compliance among retailers, some adaptive behaviours emerged. Notably, there was evidence of switching from cheap strong ciders and lagers to other alcoholic beverages such as wine and spirits, which may pose equal or greater health risks. Among dependent drinkers on low incomes, increased financial strain was observed, with some individuals maintaining alcohol consumption by sacrificing essentials such as food or bill payments. Although initial fears of widespread substitution to illicit drugs or significant increases in crime were largely unfounded, limited instances of such behaviours were reported among a minority of highly vulnerable drinkers. Welsh Government has committed to continuing to monitor and evaluate the wider impacts of the legislation over the coming years.

<u>Retailer Revenue Impacts</u>

89. The modelling presents the estimated change in cumulative revenue to alcohol retailers over a five-year period (2026–2030), under various MUP scenarios. The data is disaggregated by off-trade (e.g. supermarkets, off-licences) and on-trade (e.g. pubs, bars) sectors, and compared to the baseline of a 50p MUP.

90. Lowering the MUP thresholds below its current 50p limit would result in modest increases in total retail revenue. For example, removing MUP entirely is projected to increase total retail revenue by £19 million (+0.16%), with gains in both off-trade (+£3m) and on-trade (+£16m).

91. In comparison the thresholds higher than the current 50p limit is likely to lead to a decline in total retail revenue, driven by losses in the on-trade sector.

92. At 65p, total retail revenue is projected to fall by £36 million (-0.31%), with a £41 million loss in on-trade partially offset by a £5 million gain in off-trade.

93. At 80p, the total loss reaches £87 million (-0.73%), with on-trade revenue falling by £148 million despite a £61 million increase in off-trade.

Sectoral Differences

94. There are sectoral differences where off-trade retailers generally benefit from higher MUP thresholds, as price increases on low-cost alcohol raise revenue, whereas on-trade businesses experience revenue losses as MUP increases, likely due to reduced overall alcohol consumption and substitution effects.

95. While higher MUP levels support public health objectives, they are associated with financial pressure on the on-trade sector, which could have broader economic and employment implications. The proposed price of 65ppu as opposed to higher, which would have a more pronounced impact on both consumers and the alcoholic drinks industry, is determined to be the preferred option in order to retain the public health benefits as well as the minimum possible impact on industry in introducing a ppu structure already implemented in other administrations providing consistency for the sector.

Tax and Revenue

96. The modelling outlines the estimated change in cumulative alcohol duty and VAT revenue to the UK Government over a five-year period (2026–2030), under various Minimum Unit Price (MUP) scenarios. The estimates are presented as both absolute (£ million) and relative (%) changes compared to the baseline scenario of a 50p MUP.

97. Removing MUP is projected to increase government revenue by £22 million (+0.36%), with £17 million from off-trade sales and £5 million from on-trade.

98. Lowering MUP to 40p or 45p also results in modest revenue gains (£9 million and £4 million respectively), primarily from increased off-trade consumption.

99. Raising MUP above 50p leads to progressively larger reductions in tax revenue for the Government over five years:

    At 55p, revenue falls by £22 million (-0.37%).
    At 65p, the loss increases to £109 million (-1.80%).
    At 80p, the estimated loss reaches £374 million (-6.15%).

100. In terms of sectoral differences the off-trade sector (e.g. supermarkets, off-licences) is more sensitive to MUP changes, accounting for the majority of revenue fluctuations whilst the on-trade sector (e.g. pubs, bars) shows smaller changes, as prices in this sector are typically above the MUP threshold and less directly affected.

101. A 65ppu MUP would have a similar effect on alcohol-related mortality as a tax increase of 5.8% to 7.4% above inflation. In contrast, removing MUP entirely would equate to a real-terms tax cut of 2% to 2.8%, potentially reversing public health gains.

Costs summary

102. A 65 pence per unit MUP is considered the most balanced and effective option when weighing public health benefits against economic and fiscal impacts. While only a small proportion of alcohol is currently sold below 60ppu, harmful drinkers are disproportionately affected by low-cost alcohol. Modelling shows that raising the MUP to 65ppu would reduce alcohol consumption and related harm, while the impact on consumer spending remains modest—less than £0.13 per week on average. Compared to higher thresholds, 65ppu avoids the more severe revenue losses faced by the on-trade sector, which could see significant declines at 70ppu and above. This makes 65ppu a proportionate intervention that supports health outcomes without placing undue pressure on hospitality businesses.

103. From a fiscal standpoint, 65ppu strikes a pragmatic middle ground. While it is associated with a projected £109 million reduction in alcohol duty and VAT revenue over five years, this is significantly lower than the £374 million loss estimated at 80ppu. At the same time, the health benefits of a 65ppu MUP are comparable to a tax increase of 5.8% to 7.4% above inflation, making it a cost-effective alternative to taxation. It also aligns with policy developments in other UK nations, offering consistency for industry stakeholders. Overall, 65ppu is the preferred option for maintaining the real effectiveness of MUP while minimising disruption to consumers, businesses, and public finances.

104. Welsh Government will work collaboratively with retailers, the alcohol industry, public health bodies, and substance misuse stakeholders to develop supporting materials on the increase in the minimum unit price ahead of its introduction. A communications campaign will be undertaken prior to implementation of any price increase to promote the public health objectives of the legislation. Welsh Government will incur costs associated with promoting the forthcoming price increase through updated communications and stakeholder engagement activity and would be met from within existing budgets. The communications cost for increasing the MUP to 65ppu is estimated to be £300,000.

105. Enforcement of minimum unit pricing has been undertaken by Trading Standards Wales (TSW) since the inception of MUP in March 2020 with compliance inspections of licensed premises successfully completed. Only six instances required the issuance of Fixed Penalty Notices. Trading Standards will continue to enforce MUP and this will represent a continuation of existing arrangements, and no significant increase in enforcement costs is anticipated, given the low cost of compliance monitoring established since March 2020.

Costs and Benefits summary

Option	Estimated Annual Costs	Estimated Annual Benefits
Do Nothing (MUP expires in March 2026)	£0 direct enforcement or communication costs. Indirect cost: NHS and societal costs rise by approx. £30–£40 million due to increased alcohol-related harm.	None; policy impact lost. Estimated +60 alcohol-related deaths and +1,200 hospital admissions per year.
Retain MUP at 50p per unit	Enforcement: ~£0.2m (continuation of Trading Standards). Communications: ~£0.1m.	Maintains some harm reduction but eroded by inflation. Estimated £90m in societal savings compared to repeal. Prevents approx. 40 deaths and 800 hospital admissions annually.
Increase MUP to 65p per unit	Enforcement: ~£0.2m. Welsh Government communications & stakeholder engagement: ~£0.3m. Retailer compliance: negligible.	£140m in societal savings (NHS, productivity, crime). Approx. 80 fewer deaths and 1,600 fewer hospital admissions annually. Greatest impact on deprived groups.

Figures are rounded and based on SARG modelling using the Sheffield Tobacco and Alcohol Policy Model v2.6.0.

Societal savings include reductions in NHS costs, crime, and productivity losses.

Enforcement costs remain low due to established Trading Standards processes since 2020.

Summary of Welsh Government preferred option

106. A 65ppu MUP is considered the most balanced and effective option for implementation, offering a proportionate response to the alcohol market in Wales.

107. While the current 50ppu threshold has contributed to reducing alcohol-related harm, its real-terms value has eroded due to inflation, and over 93% of alcohol is now sold above 60ppu. Raising the MUP to 65ppu would in effect restore the Welsh Governments policy objective to influence the price of the cheapest, strongest alcohol products, particularly those consumed by harmful drinkers, and maintain the public health objectives and outcomes associated with the initial introduction of Minimum Unit Pricing. The 65ppu level is projected to prevent 902 all-cause deaths over 20 years, including 628 alcohol-specific deaths, and significantly reduce the number of hazardous and harmful drinkers.

108. Economically, 65ppu provides a balance. While it is associated with a projected £109 million reduction in government revenue over five years, this is considerably less than the £374 million loss estimated at 80ppu. Off-trade retailers may see modest gains, while on-trade businesses would face manageable losses compared to the more severe impacts seen at higher thresholds. The average reduction in weekly spending per drinker is just £0.13, or 0.4%, indicating that the financial impact on consumers is modest. This makes 65ppu a proportionate and targeted intervention that avoids excessive disruption to the hospitality sector while maintaining the effectiveness of the policy.

109. Although increasing the MUP beyond 65ppu (e.g. to 70, 75, or 80ppu) could deliver even greater reductions in alcohol-related harm, these higher thresholds would represent a substantial rise beyond inflation and could affect up to 80% of alcohol products on the market, including some premium brands.

110. Such a shift would mark a significant departure from the current policy scope and could be perceived as a more disruptive intervention. The Welsh Government recognises that higher thresholds would have a more pronounced impact on both consumers and the alcoholic drinks industry, with potential implications for pricing strategies, product availability, and consumer choice.

111. In light of these considerations, 65ppu is the preferred option. It delivers meaningful public health benefits, supports the Welsh Government's commitment to reducing health inequalities, and aligns with recent policy developments in Scotland, promoting consistency across the UK. It also reflects the findings of the evaluation published in January 2025 and the stakeholder feedback from the 2025 consultation on the implementation of MUP which culminated in the Operation and Effect report.

112. The Welsh Government recommends this level as a way to retain the benefits of MUP while minimising disruption to industry and consumers.

Competition Assessment

The competition filter test	
Question	**Answer yes or no**
Q1: In the market(s) affected by the new regulation, does any firm have more than 10% market share?	Yes
Q2: In the market(s) affected by the new regulation, does any firm have more than 20% market share?	Yes
Q3: In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share?	Yes
Q4: Would the costs of the regulation affect some firms substantially more than others?	No
Q5: Is the regulation likely to affect the market structure, changing the number or size of firms?	No

The competition filter test	
Question	**Answer yes or no**
Q6: Would the regulation lead to higher set-up costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q7: Would the regulation lead to higher ongoing costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q8: Is the sector characterised by rapid technological change?	No
Q9: Would the regulation restrict the ability of suppliers to choose the price, quality, range or location of their products?	Yes

113. Minimum Unit Pricing (MUP) has been in place for five years, and evidence suggests that its continuation or any price adjustment is unlikely to have a significant impact on competition. While the market is concentrated, with some firms holding more than 10% and 20% market share and the largest three firms together exceeding 50%, the regulation does not impose disproportionate costs on specific firms, nor does it alter market structure or create barriers for new entrants. Furthermore, the sector is not characterised by rapid technological change, and ongoing costs remain consistent across suppliers. Although MUP restricts pricing flexibility, its long-standing implementation without adverse competitive effects supports the conclusion that future changes will not materially distort competition.

Post implementation review

114. Welsh Government officials will monitor the effectiveness of this uprated threshold whilst also considering a range of evidence, including compliance levels, alcohol consumption patterns among hazardous and harmful drinkers, alcohol sales and pricing data, and indicators of alcohol-related harm as part of its ongoing monitoring of the legislation. The ongoing monitoring will be supported by colleagues in Knowledge and Analytical Services and Public Health Wales.

115. Following the Health and Social Care Committee's recommendations for Minimum unit pricing for alcohol in Wales, should the legislation proceed future monitoring and evaluation of minimum unit pricing will continue to consider the wider context in which the policy operates, including impact of the policy on children and young people and families.

116. The Welsh Government accepted the recommendations from the Health and Social Care Committee, in particular to the further evaluations should minimum unit pricing continue on the following:

- As part of any ongoing minimum unit pricing policy, the Welsh Government should continue to monitor and evaluate its implementation and effect. This

should be stronger, and larger in scale than the previous evaluation and should include a longitudinal quantitative analysis of key outcomes, including hospital admissions and alcohol-related deaths.

- The Welsh Government should ensure that any future monitoring and evaluation of minimum unit pricing for alcohol considers the impact of the policy on dependent drinkers on low incomes.
- Any future evaluation of minimum unit pricing should consider the impact of the policy on children and young people, including under-age drinking and the impact of alcohol on the lives of children and young people in households with one or more alcohol-dependent parents or guardians.

117. The Sheffield Modelling report provided projections on the potential impact of uprating the Minimum Price for Alcohol (MPA) threshold and explored the implications of different uprating mechanisms beyond 2025. A copy of their findings is available within the published report and will form the basis for Welsh Government considerations to inform future policy decisions.

118. Welsh Government officials will assess the long-term impact of different approaches to uprating the Minimum Unit Price based on the models set out in the Sheffield Report:

- Fixed at 65p per unit indefinitely,
- Increased annually in line with RPI inflation,
- Increased every 5 years based on RPI inflation over the previous 5 years,
- Increased annually in line with average earnings growth, and
- Increased every 5 years based on average earnings growth over the previous 5 years.

119. Decisions on uprating the Minimum Unit Price in Wales are crucial for maintaining the policy's public health impact. While several countries have implemented minimum pricing only Scotland and some Canadian provinces have increased their MUP since implementation. Welsh Government officials will work with counterparts within the Scottish Government who are also considering the implications of uprating