



Department  
of Health

# Responsibility Deal: Monitoring the number of units of alcohol sold

Second interim report, 2013 data

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# Responsibility Deal: Monitoring the number of units of alcohol sold

Second interim report, 2013 data

Prepared by the Health Improvement Analytical Team, Department of Health

# Contents

Executive summary .....	5
Context.....	6
Results.....	7
Methods .....	10
Data .....	12

# Executive summary

1. The previous interim monitoring report covered the first year of the Responsibility Deal Pledge and estimated that 253m units had been removed from the market between 2011 and 2012. This second report incorporates new data covering 2013 and updated data covering 2011 and 2012. Consequently this second report gives a more accurate estimate of changes in the number of units of alcohol in the market since 2011.
2. Between 2011 and 2013 the number of units of alcohol in the market has reduced by 1.9 billion. Of this it is estimated that **1.3 billion is due to reductions in the ABV of alcohol products, 0.3bn more than the target 1bn reduction by the end of 2015 contained in the Responsibility Deal Pledge A8(a).**
3. The reduction in the number of units between 2011 and 2013 has mainly been achieved by reductions in the average strength of beer, which has reduced from 4.42% in 2011 to 4.14% in 2013. This accounted for 1.2 billion of the 1.3 billion total reduction.
4. Average ABV has decreased in all product categories apart from spirits, where there was a slight increase from 36.85% to 36.92%. Overall the average ABV fell from 7.49% to 7.28% between 2011 and 2013.
5. This report looks at these changes and describes the methods and data used to calculate them.

# Context

6. Just over 52 billion units of alcohol were released for consumption in the UK in 2011. Reducing this by 1bn units would equate to a drop in consumption of around 2%, which should have significant public health benefits.
7. As part of the Public Health Responsibility Deal, the Government worked with the alcohol industry and partners to create 11 collective pledges and 10 individual pledges to support the core commitment to foster a culture of responsible drinking, which will help people to drink within lower risk alcohol guidelines.
8. Of these pledges, thirty three retailers and producers have committed to pledge A8(a):  
  
*"As part of action to reduce the number of people drinking above the guidelines, we have already signed up to a core commitment to "foster a culture of responsible drinking which will help people drink within guidelines".*  
  
*To support this we will remove 1bn units of alcohol sold annually from the market by December 2015 principally through improving consumer choice of lower alcohol products."*
9. The alcohol network is comprised of a core group drawn from industry, academia and the public health community which oversee the work programme, supported by a monitoring and evaluation sub-group.
10. The alcohol network monitoring and evaluation sub-group was set up to consider monitoring and evaluation proposals for the alcohol network pledges and metrics for assessment of success. The group includes representation from health partners, academia, the alcohol industry and the Department of Health. The group agreed the method by which progress in delivering the A8(a) billion unit reduction pledge would be monitored.
11. The first interim monitoring report was published in April 2014 finding that 253m units had been removed from the market due to a reduction in the ABV of products between 2011 and 2012. This second interim report covers the period 2011 to 2013.

# Results

## Aggregate level

12. Changes to the total number of units in the market which can be attributed to changes in the strength of alcohol products is calculated by looking at total changes to the volume of products sold combined with changes to the alcoholic strength of individual product categories. This finds that, in total, **1.3bn units**, which can be attributed to changes in the strength of alcohol products, **have been removed from the market between 2011 and 2013**. This compares to the 1bn target by the end of 2015, compared to the baseline year of 2011, as written in RD pledge A8(a).
13. The total amount of alcohol released for consumption in the UK has decreased from 69.6m hl in 2011 to 69.0m hl in 2013. At the same time the average ABV across the market has decreased from 7.49% to 7.28%. As a result the total volume of pure alcohol has reduced from 5.2m hl to 5.0m hl, a reduction of 3.7% between 2011 and 2013. Since there are 10ml of pure alcohol in 1 unit, the number of units has reduced by 1.9bn, from 52.1bn in 2011 to 50.2bn in 2013.

**Table 1 – Changes to the volume of alcoholic products released for consumption, average ABV and total volume of pure alcohol 2011 to 2013.**

	2011 (Baseline year)	2012 (1 <sup>st</sup> year of Responsibility Deal pledge A8(a))	2013 (2 <sup>nd</sup> year of Responsibility Deal pledge A8(a))	Change 2011 to 2013
Total volume of alcoholic products (hl)	69,566,474	69,412,827	69,001,158	-0.8%
Average ABV (%)	7.49	7.33	7.28	-2.9%
Total Volume of pure alcohol (hl)	5,213,875	5,089,077	5,020,239	-3.7%
Total number of units (bn)	52.1	50.9	50.2	-3.7%

## Product category level

14. The 0.8% reduction in the volume of alcoholic products released for consumption is a result of reductions of volumes in each product category, apart from a 25.3% rise in RTDs (although RTDs started from a relatively smaller baseline). Beer is the largest category, and increased in volume between 2011 and 2012, before falling back below its 2011 value in 2013.

**Table 2 – Changes to the volume of alcoholic products released for consumption, by product category, 2011 to 2013.**

	2011 (Baseline year)	2012 (1 <sup>st</sup> year of Responsibility Deal pledge A8(a))	2013 (2 <sup>nd</sup> year of Responsibility Deal pledge A8(a))	Change 2011- 2013
Spirits	2,947	2,957	2,886	-2.1%
Wine	13,307	13,229	13,166	-1.1%
Beer	42,527	42,962	42,422	-0.2%
Cider	9,280	8,737	8,640	-6.9%
RTDs	1,506	1,528	1,887	25.3%
All products	69,566	69,413	69,001	-0.8%

15. The 2.9% reduction in ABV is driven by reductions in each product category apart from spirits which increased by 0.2%. The 6.3% reduction in beer ABV accounts for 2.3 percentage points of the total 2.9% reduction in average ABV between 2011 and 2013.

**Table 3 – Changes to the average ABV of alcoholic products released for consumption, by product category, 2011 to 2013.**

	2011 (Baseline year)	2012 (1 <sup>st</sup> year of Responsibility Deal pledge A8(a))	2013 (2 <sup>nd</sup> year of Responsibility Deal pledge A8(a))	Change 2011- 2013
Spirits	36.8%	37.0%	36.9%	0.2%
Wine	12.9%	12.9%	12.9%	-0.3%
Beer	4.4%	4.2%	4.1%	-6.3%
Cider	5.0%	4.9%	4.8%	-2.5%
RTDs	4.5%	4.5%	4.4%	-1.7%
All products	7.5%	7.3%	7.3%	-2.9%

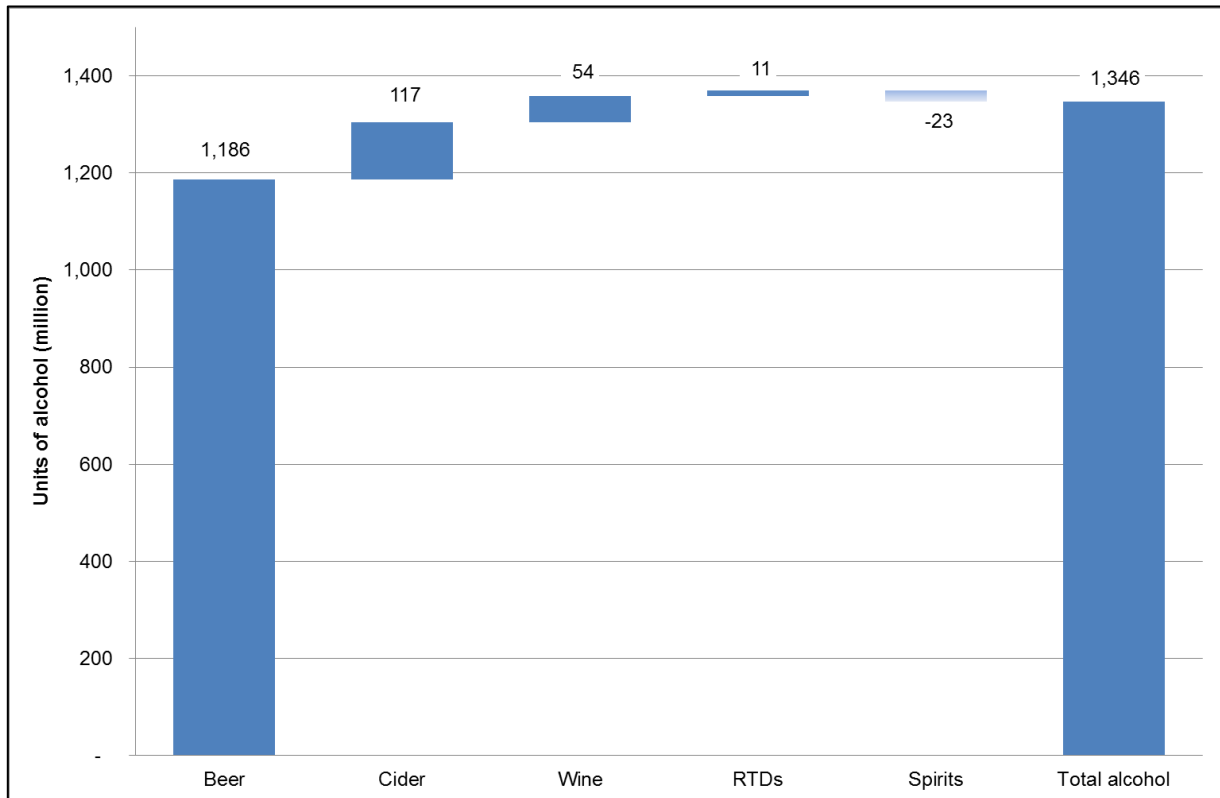
*Note – figures are rounded to 1 decimal place.*

16. In total, the reductions in ABV and volume of products released for consumption meant that the total number of alcoholic units reduced by 1.9bn between 2011 and 2013. By controlling for changes in the volume of products (as set out in paragraph 26), **the amount that is explained by changes in the ABV of products is 1.3bn**. This is driven mainly by reductions in the strength of beer, which contributed 1.2bn of this reduction. Each category contributed to the reduction, apart from spirits, where the slight increase in ABV added 23 million units to the market. The contribution of each product category is shown in Figure 1.

17. By measuring the progress of the pledge to remove 1 billion units of alcohol from the market by 2015 using the method above, it can be seen that 1.3 billion units had already been removed by the end of 2013.



**Figure 1 – Contributions to unit reduction, 2011 to 2013.**



## Methods

18. The report covers the period between the baseline year of 2011, the 1<sup>st</sup> Responsibility Deal year of 2012 for pledge A8(a) and the 2<sup>nd</sup> Responsibility Deal year of 2013 for pledge A8(a).
19. The approach taken to monitor progress in delivering the unit reduction pledge was agreed by the alcohol network monitoring and evaluation sub-group and follows the same methodology as the first interim monitoring report.
20. A unit of alcohol is defined as 10ml of pure alcohol. In order to evaluate how many units are present in the market place, and how much of a change in units between two years is due to changes in the alcoholic strength of products, data is required from two independent sources.
21. Progress is determined using information from Her Majesty's Revenue and Customs (HMRC) on the volume of alcohol product released for clearance onto the UK market, along with information from Neilson/CGA on the sale of alcohol products in Great Britain to determine the average ABV of products. Further details about these two data sets are given in paragraphs 27 to 36.
22. In the case of beer, the HMRC data gives figures for the total volume of product released for consumption and the volume of pure alcohol contained within that product. From this, it is possible to derive the average ABV for the beer category:

$$\text{Average ABV for beer} = \frac{\text{Volume of pure alcohol contained in beer}}{\text{Volume of beer released for consumption}}$$

23. In the case of cider, wine and cider/wine-based RTDs, the HMRC data only gives a figure for the total volume of product cleared for sale. An estimate of average ABV for each of these categories has therefore been derived from Neilson/CGA sales data. This has been used to produce a figure for the volume of pure alcohol contained within that product:

$$\text{Volume pure alcohol (cider)} = \text{Volume cider released (HMRC)} \times \text{Average cider ABV (Neilson/CGA)}$$

24. In the case of spirits and spirit-based RTDs, the HMRC data only gives a figure for the total volume of pure alcohol contained within spirits. An estimate of average ABV for spirits has therefore been derived by Neilson/CGA from sales data. This has been used to produce a figure for the total volume of spirits.

$$\text{Volume of spirits} = \frac{\text{Volume of pure alcohol contained in spirits (HMRC)}}{\text{Average ABV of spirits (Neilson/CGA)}}$$

25. The total volume of product and the total volume of pure alcohol have then been derived by summing the figures for the five categories. This in turn has been used to calculate an average ABV for the market as a whole.
26. Some of the change in the total volume of pure alcohol that occurs from year to year is due to changes in the category shares. For example, as the average ABV of beer is lower than the average ABV of wine, a shift in market share from beer to wine would (other things being

equal) result in an increase in the total volume of pure alcohol and an increase in the overall average ABV. By holding constant the volume of products the change in the number of units driven solely by changes in ABV can be calculated. This is done by applying the product volumes from the base year of 2011 to the average ABV figures for both 2011 and 2013. Formally:

$$\text{Total change in units due to changes in ABV} = \sum_{i=1}^n \text{Vol}_{i,t} \text{ABV}_{i,t+1} - \sum_{i=1}^n \text{Vol}_{i,t} \text{ABV}_{i,t}$$

Where:

- $i$  is the product category (spirits, wine, beer, cider and RTDs)
- $t$  is 2011,  $t+1$  is 2013
- Vol is the total volume of product released for consumption
- ABV is the average alcohol by volume

# Data

## HMRC – Alcohol Duty Bulletin

27. The HMRC figures relate to alcohol products released for consumption onto the UK market and are taken from The Alcohol Bulletin, which provides monthly statistics on clearances of beer, wine, spirits and cider and duty receipts for the UK.
28. Duty is payable on alcohol produced or processed in the UK, or brought into the UK. In general, duty on alcohol is calculated according to its strength (except for duty on spirits which is calculated per litre of pure alcohol).
29. For this report the most recent data available at the time of publication is being used, which is the October 2014 bulletin<sup>1</sup>.
30. The statistics cover the United Kingdom. It is not possible to provide any geographic breakdown on where tax liability arose for alcohol duty as HMRC does not collect this data on the alcohol return. HMRC does not publish any geographic breakdown on alcohol duty by taxpayer registered address as this is not related to where the tax liability arose.
31. These statistics are based on administrative data sources. They undergo an internal quality assurance procedure before publication.
32. The figures will not necessarily relate to the drinking of alcohol, since:
- products may be consumed some time after duty has been paid on them,
  - some product is wasted,
  - the figures do not cover duty-free alcohol and other alcohol where duty has not been declared to HMRC,
  - the figures include consumption by visitors to the UK and exclude consumption overseas by UK residents.

## Nielson and CGA

33. Nielsen and CGA measure alcohol sales (rather than consumption) in the retail on and off trade market segments in Great Britain which allows for estimates of average ABV within product categories. Comparison with HMRC figures suggest that the data cover about 86% of units sold in the GB retail market place. Excluding beer (where the ABV is calculated from the HMRC alcohol bulletin) the coverage is just under 82%.

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<sup>1</sup> <https://www.uktradeinfo.com/Statistics/Tax%20and%20Duty%20Bulletins/Alcohol1014.xls>

**Table 4 – CGA/Nielson data coverage by volume of alcohol product**

	<b>2011</b>	<b>2012</b>	<b>2013</b>
Spirits	87.5%	86.0%	87.6%
Wine	84.1%	83.0%	83.0%
Beer	96.2%	91.4%	89.1%
Cider	79.6%	83.9%	85.6%
RTDs	66.9%	61.8%	43.3%
Total Alcohol	90.6%	88.0%	86.2%

34. The data do not cover “duty free” product, caterers, embassies and private clubs, wine warehouses, mail order and personal imports. The data also excludes sales in Northern Ireland and sales made by Aldi and Lidl.

### Reconciliation from 1<sup>st</sup> interim monitoring report

35. Since the 1<sup>st</sup> interim monitoring report was published in April 2014, updated data has become available and so the 2011 and 2012 data has been refreshed in order to present the most accurate statistics available. The changes are:

- A change to HMRC beer volume data for 2011, reducing the amount of product released for consumption from 44,844,000 hl to 42,527,000 hl. There was only a small accompanying change to the amount of alcohol of these products. This meant that the baseline year estimate of ABV for beer increased from 4.21% to 4.42%. This change to the baseline year from HMRC explains the vast majority of the differences in unit reduction estimation between the 1<sup>st</sup> and 2<sup>nd</sup> interim monitoring reports.
- Updated CGA/Nielson data which has refined estimates of the average ABV of the other product categories.

36. The combined effects of these changes are to increase the number of units that were removed from the market between 2011 and 2012 from 253m units as estimated in the 1<sup>st</sup> monitoring report, to 1,111m units in this report. A further 235m units were then removed between 2012 and 2013, giving a total reduction estimate of 1.346m units between 2011 and 2013.