

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of the CHCP and the Clerk to the Licensing Board

CHCP : 16 November 2011

Subject: Alcohol (Minimum Pricing)(Scotland) Bill

1. Purpose

- 1.1** The purpose of this paper is to provide background to the proposed Bill relating to minimum pricing within Scotland. It is recommended that the CHCP Committee acknowledge the established link between alcohol related harm and pricing; and authorise the CHCP Director, in collaboration with Clerk to the Licensing Board, to prepare and submit a response based on the factual evidence that underpins the approved local Overprovision Statement to the Scottish Parliament's Health and Sport Committee to inform Stage 1 of the Bill.

2. Background

- 2.1** The new Alcohol (Minimum Pricing)(Scotland) Bill was introduced into the Scottish Parliament on 31 October 2011. The Government propose to revisit the 45p per unit limit previously proposed and will re-run the Sheffield University model to give up to date evidence. The Parliament's Health and Sport Committee have called for evidence from all interested parties on the general principles of the Bill.

3. Main Issues

- 3.1** The Scottish Parliament's Health and Sport Committee on 1 November called for evidence from all interested parties on the general principles of the Bill. They intend that evidence received will inform its consideration of the Bill at Stage 1. Responses should address all or any of the following points in turn:
- The advantages and disadvantages of establishing a minimum alcohol sales price based on a unit of alcohol.
 - The level at which such a proposed minimum price should be set and the justification for that level.
 - Any other aspects of the Bill.

3.2 The Policy Memorandum accompanying the Bill provides an overview of the evidence which underlies it. The key figures from a national perspective are as follows:-

- In 2010, 11.8litres (22.8 units per adult per week) of pure alcohol was sold per adult in Scotland compared with 10.7l in 1994, being an increase of 11%. The recommended weekly limit is 21 units for men and 14 units for women. Bearing in mind the fact that a significant number of the population do not drink, the inevitable conclusion is that the majority of Scotland's population are drinking significantly in excess of the recommended weekly limits.
- 67% of pure alcohol sold in Scotland in 2010 was sold through the off-trade, with 66% of this sold from the five main supermarket chains. Off-sales increased by 52% between 1994 and 2010 whereas on-trade sales of alcohol decreased by 28% during this period.
- Alcohol related mortality has more than doubled since the 1980s and hospital discharges due to alcohol related illness and injury have quadrupled since the early 1980s. It is estimated that alcohol use is either wholly or partly attributable to the cause of death in 5% of deaths in Scotland. Over the last 30 years Scotland has had one of the fastest growing rates of chronic liver disease and cirrhosis in the world.
- The total cost of alcohol misuse is estimated at £3.56b every year, equivalent to £900 for every adult living in Scotland. This includes £866m in lost productivity, £269m to the NHS and £727m in crime costs.

3.3 West Dunbartonshire Licensing Board along with partners in Social Work, NHS, Strathclyde Police and West Dunbartonshire Local Licensing Forum obtained extensive data in 2010 regarding the crime rate, police incident rate, alcohol hospital admissions rate and alcohol related deaths rate across 18 separate areas of West Dunbartonshire. The Board also obtained further evidence from Environmental Health, Strathclyde Fire and Rescue, Social Work and Strathclyde Police. Appendix 1 details the figures across the 18 intermediate data zones. The shaded areas on Appendix 1 are those where the rate was above the average for the Strathclyde Police Force area for crimes and police incidents or above the Scotland rate for alcohol hospital admissions and alcohol related deaths. The figures are normalised to represent the number per 100,000 population to enable comparisons to be made.

3.4 Updated health information on alcohol related deaths 2008 to 2010 and emergency admissions 2009 and 2010 were reported to the Licensing Board on 8 November 2011 and these figures are attached at Appendix 2. The key conclusions from this local information are:-

- Based on the 2008 data, every single area of West Dunbartonshire was above the Scottish average for alcohol related hospital admissions. In five cases the figures were more than double the Scottish average.

- 15 out of the 18 areas were above average for three out of four of the alcohol related (a) crime rate, (b) police incident rate, (c) hospital admissions rate and (d) deaths rate.
- It is estimated that 6% of the West Dunbartonshire population are addicted to alcohol and a further 2% to drugs.
- Out of 408 local authority areas across the UK, West Dunbartonshire Council had the fifth alcohol related death rate for males (previously third) and had the twelfth worst for females.
- Scottish survey information was that 42% of males and 34% of females were exceeding recommended weekly limits for alcohol consumption in Scotland. West Dunbartonshire figures were 62% for males and 51% for females.
- A 2004 audit by West Dunbartonshire Social Work Department found addiction problems in:-
 - 50% of all cases held by Children and Families Team
 - 72% of all cases held in the Criminal Justice Team
 - 61% of accommodated children and young people
- In a 2009 review by local police, between 60% and 100% of reported domestic incidents involved alcohol as a factor for the suspect, victim or both.
- Strathclyde Police statistics indicate that over 70% of those charged with violent offences were under the influence of alcohol and/or drugs at the time of the offence. Analysis of police holding cells in Clydebank in 2009/10 identified that only 41% of total prisoners were identified as sober at point of reception. As most warrants will be planned and executed at an hour unlikely to encounter drunkenness, anecdotal evidence suggests police arrests reflect nearly a 90% link between alcohol and local crime/anti-social behaviour.
- There is a clear link between fires and alcohol and smoking. In 2010 West Dunbartonshire had the highest level of fire related fatalities in the Strathclyde area as well as the highest level of fire related anti-social behaviour. It also had the second highest level of house fires for the region.

3.5 The broad conclusions from West Dunbartonshire Licensing Board's overprovision work was that there were three key problems.

- Crime and disorder on Friday and Saturday nights in town centres – while the attractiveness of pubs and nightclubs and the night time economy is one factor in this, the increasing trend of pre-loading at home before going down town means that these problems can no longer be laid at the door of the on-trade. It could be argued that many such problems have their root in the consumption of cheap alcohol, particularly from supermarkets prior to patrons going out.
- Youth crime and disorder/under age and outdoor drinking – alcohol generally obtained from off-sales, often by agent purchases.
- Alcohol related deaths, hospital admissions, domestic abuse, fire, crime and police incidents outwith town centres – predominantly linked to low cost alcohol from large supermarkets.

3.6 While the West Dunbartonshire figures are poor in comparison to the rest of Strathclyde and Scotland, it should be borne in mind that the Scottish figures are themselves poor in relation to Europe. If alcohol problems cost every person in Scotland £900 per annum, the figure will be significantly higher in West Dunbartonshire. The area's alcohol related problems, including its addiction rate have an impact on the area's ability to attract new businesses, train a suitable workforce, work absence rates and on the attractiveness of the area as a place to live and work. All of these issues impact on the longer term regeneration of West Dunbartonshire.

3.7 The Policy Memorandum accompanying the Bill also sets out the clear link between price and consumption. International evidence makes it clear that there is a link between alcohol related problems and both the availability and price of alcohol. Licensing Boards can exercise a degree of control over availability through an overprovision policy and in attempting to control the hours of sale. West Dunbartonshire Licensing Board and its partners have been nationally praised for its innovative work in developing an evidence-based Overprovision Policy which now applies to pubs, nightclubs and off-sales in 15 out of 18 areas of West Dunbartonshire. However overprovision can only maintain the status quo and is unlikely to result in a significant improvement in alcohol related problems. It does however raise public awareness of the problems of alcohol in West Dunbartonshire. In these circumstances control over the pricing of alcohol is the method most likely to have an effect on Scotland's relationship with alcohol.

3.8 The first question raised by the Health and Sport Committee relates to the advantages and disadvantages of establishing a minimum alcohol sales price on a unit of alcohol. Alternative approaches to that proposed by the Scottish Government are detailed in the Policy Memorandum. The Scottish Government, the UK Government and the Opposition Labour Parties in both parliaments have all accepted a clear link between alcohol related harm and pricing but propose different means of dealing with this. In summary their alternative proposals are:-

3.8.1 In January 2011 Westminster Government proposed a ban on sales of alcohol below the rate of duty plus VAT. This would result in the following pricing.

440ml lager can at 4.2% - 38p

1l cider at 4.5% - 40p

750ml wine at 12.5% - £2.03

1l vodka at 37.5% - £10.71

3.8.2 During consideration of the Westminster Government's proposals at the House of Commons Science and Technology Committee in October 2011, the position of Labour's Shadow Public Health Minister, Diane Abbot was that the UK Government should be prepared to look at minimum pricing.

3.8.3 The recommendation from the Opposition Scottish Labour Party in August 2010 was that there should be a UK floor price for alcohol which should be

below the total cost of production, duty and VAT. Duty rises were to be the main lever for achieving price increases.

3.9 In relation to the proposed minimum price, the update on alcohol sales and price band analysis 2011 report by NHS Health Scotland noted data on pricing levels. Not unsurprisingly it noted that higher off-trade sales (compared to on-trade sales) were particularly marked in the 30 to 44.9 pence per unit range and for spirits, especially vodka. It noted that in 2010 the average price of a unit of alcohol through the off-trade in Scotland was 45 pence per unit and 134 pence per unit through the on-trade. A minimum unit price of alcohol would therefore impact much more on the off-trade sales than on on-trade sales. However it was noted that as the price of alcohol increased between 2008 and 2010, the proportion of alcohol sold through the off-trade under different price thresholds changed. In 2008, 57% of off-trade sales was sold at less than 40p per unit and 81% at less than 50p per unit. By 2010 this had dropped to 45% at less than 40p per unit and 73% less than 50p per unit. Their conclusion was that if a minimum price per unit was to be introduced, changes in alcohol prices and disposable incomes would need to be monitored to assess whether they might influence the potential effect of a minimum unit price on consumption and harm. This is presumably one of the reasons why the Government proposes to re-run the Sheffield University model to give up to date evidence as to what the proposed minimum price should be.

3.10 It is likely that minimum pricing will be challenged in court by major supermarkets and drinks companies. The legal issues are not straightforward and the UK Public Health Minister, Anne Milton, told the House of Commons Science and Technology Committee in October, that their legal advice was that minimum price legislation was likely to contravene European free trade legislation. She welcomed the clarification to the law that the Scottish Government's minimum pricing proposals would probably provide. The advice to the Scottish Government is understood to be that minimum pricing is legal. The implications of this legal uncertainty will be that once the Act is passed it is likely that it will be bogged down in litigation, possibly ending up in the European courts. Until then the Act cannot be brought into force. For this reason it is understood that Civil Servants are keen that this Bill contains little else other than minimum pricing to avoid anything else becoming delayed by litigation.

3.11 The Scottish Government proposals when compared to those of the UK Government and Scottish Labour Party are likely to provide the largest immediate increases in alcohol pricing. An example would be the sale of 2l of cider at a strength of 4.5%.

- UK Government proposal – 80p
- Scottish Government proposal - £4.05

Accordingly the Scottish Government proposals are likely to have a greater immediate impact in reducing alcohol related problems in Scotland, providing they survive legal challenge.

3.12 The proposals of the Scottish Labour Party are that the UK floor price for alcohol should be below the total cost of production, duty and VAT. A potential weakness with this approach is that it may be difficult to get accurate data on the total cost of production. The Scottish Labour proposal from August 2010 would also rely on the Westminster Government bringing it in. Given that the Westminster Government have alternative proposals this seems unlikely to go ahead in the near future. It is also uncertain as to whether the August 2010 proposal represents the present position of the Scottish Labour Party. However if it was, this more gradual incremental approach which could eventually result in pricing levels similar to those proposed by the Scottish Government. It would however depend on the willingness of successive UK Governments to raise duty and rule out different proposals more tailored to Scotland's needs. Preliminary indications are that the new Bill is supported by the Lib-Dems and Greens but opposed by Scottish Labour and the Conservatives.

3.13 While it is recognised that the UK and Scottish Governments and Labour Opposition parties have differing views on minimum pricing, all appear to accept the link between pricing and alcohol related harm. The evidence and data obtained by the Board as part of its Overprovision Policy is important to inform the debate on minimum pricing as it presently represents one of the few sources of comprehensive information about alcohol related harm in an area. Therefore it is recommended that regardless of the Board's view on the effectiveness of minimum pricing, that this evidence is made available to the committee.

4. People Implications

4.1 There are no people implications.

5. Financial Implications

5.1 There are no financial implications of this report.

6. Risk Analysis

6.1 There is a clear link between the price of alcohol and alcohol related problems within West Dunbartonshire. While West Dunbartonshire's Licensing Board and its partners have been pro-active in gathering data and having innovative policies in overprovision, it cannot deal with pricing. Accordingly it is welcome that the UK and Scottish Governments, as well as the Opposition Labour Parties in Westminster and Holyrood all agree on the link between alcohol related harm and pricing. It is also welcome that all parties have proposals to deal with this.

- 6.2 The Scottish Government's proposals are likely to have the most immediate effect in relation to alcohol related harm. The key risk is that minimum pricing is either held to be contrary to free trade legislation or becomes mired in years of litigation.
- 6.3 A risk of the alternative UK Government and Scottish Labour Party Commission proposals is that successive Governments will lack the willingness to raise alcohol duty to a level where it makes any significant difference to pricing and alcohol related harm.

7. Equalities Impact Assessment (EIA)

- 7.1 This report merely notes proposals relating to alcohol pricing and will not itself result in any changes. Accordingly it can have no impact on alcohol related disabilities or equalities generally.

8. Strategic Assessment

- 8.1 West Dunbartonshire's alcohol related problems have an impact on the area's ability to attract new business, to train a suitable workforce, on work absence rates and on the attractiveness of the area as a place to live and work. All of these issues impact on the long term regeneration of West Dunbartonshire.

9. Conclusions and Recommendations

- 9.1 The fact that both Governments and Oppositions recognise the link between alcohol-related harm and pricing is welcome. The fact that all propose to do something about it is also welcomed. Committee is asked to express its in-principle views on the different proposals summarised in this paper, including whether there is merit in considering combinations of approach.

9.2 It is recommended that the CHCP Committee:

9.2.1 Acknowledge the established link between alcohol related harm and pricing.

9.2.2 Authorise the CHCP Director, in collaboration with Clerk to the Licensing Board, to prepare and submit a response based on the factual evidence that underpins the approved local Overprovision Statement to the Scottish Parliament's Health and Sport Committee to inform Stage 1 of the Bill.

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Appendices:
Appendix 1 – Chart showing figures across 18 intermediate datazones
Appendix 2 – Updated Health Figures

Background Papers: Call for Written Evidence on the Alcohol (Minimum Pricing)(Scotland) Bill
Alcohol (Minimum Pricing)(Scotland) Bill
Alcohol (Minimum Pricing)(Scotland) Bill Policy Memorandum

Wards Affected: All