Finance Committee

Report on the Alcohol (Licensing, Public Health and Criminal Justice) (Scotland) Bill’s Financial Memorandum, 2015 (Session 4)
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Finance Committee

1. The remit of the Finance Committee is to consider and report on-
   a. any report or other document laid before the Parliament by members of the Scottish Government containing proposals for, or budgets of, public expenditure or proposals for the making of a tax-varying resolution, taking into account any report or recommendations concerning such documents made to them by any other committee with power to consider such documents or any part of them;
   b. any report made by a committee setting out proposals concerning public expenditure;
   c. Budget Bills; and
   d. any other matter relating to or affecting the expenditure of the Scottish Administration or other expenditure payable out of the Scottish Consolidated Fund.

2. The Committee may also consider and, where it sees fit, report to the Parliament on the timetable for the Stages of Budget Bills and on the handling of financial business.

3. In these Rules, “public expenditure” means expenditure of the Scottish Administration, other expenditure payable out of the Scottish Consolidated Fund and any other expenditure met out of taxes, charges and other public revenue.

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Introduction

1. The *Alcohol (Licensing, Public Health and Criminal Justice) (Scotland) Bill* was introduced by Dr Richard Simpson MSP, the Member in charge of the Bill on 1 April 2015. The Finance Committee issued a call for evidence on the Financial Memorandum (FM) in June 2015. The Committee received *eighteen responses*.

2. To explore further the issues raised in the responses the Committee then took oral evidence on 7 October 2015 from Dr Simpson and Andrew Mylne, Head of Non-Government Bills Unit.

3. Following the evidence session, Dr Simpson wrote to the Committee in a letter dated *22 October 2015* providing clarification of a number of points.

The Bill

4. The Policy Memorandum states that the Bill aims to “promote public health and reduce alcohol-related offending. It contains measures that—

- place restrictions on the retailing and advertising of alcoholic drinks;
- make changes to licensing laws;
- place obligations on the Scottish Ministers to publish, review and report on its alcohol education policy; and
- direct certain people whose offending or antisocial behaviour is attributable to alcohol consumption towards treatment or restrictions on that consumption.”

The Financial Memorandum

5. A table setting out the total estimated costs and savings of the Bill is provided on page 42 of the FM. Several costs and savings are described as being “minimal” or “unquantified” but the total quantified costs and savings are reproduced below.

<table>
<thead>
<tr>
<th>Costs on Scottish Administration</th>
<th>Costs on local authorities</th>
<th>Costs on others</th>
<th>Potential savings</th>
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<td>£98K start-up costs; £445K per annum</td>
<td>£87K start-up costs; up to £810K per annum</td>
<td>£0.61 to £1.74 million per annum</td>
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6. When asked in oral evidence why the summary table had been vague in terms of several of its estimates, Dr Simpson highlighted the costs arising from the policing of the advertising ban which, he stated, could not be predicted as “we do not know the extent to which the restrictions will be followed.” However, as with the smoking ban, although there would be some costs relating to policing, they were not expected to be significant.

7. When asked why annual costs of up to £810K on local authorities and “other bodies” had been combined in the table, Dr Simpson explained that the largest
proportion of the figure related to an estimated £570,000 in costs for alcohol awareness training. Such training would be run by Alcohol and Drug Partnerships which are local authority based but for whom funding generally comes from the health budget.

8. It was also pointed out that the table was intended to provide an “at-a-glance” summary of the Bill’s estimated costs and savings and that more detailed descriptions of the estimated sums involved along with the rationales underlying them had been provided under each heading in the body of the FM.

9. In his subsequent letter, Dr Simpson expanded on the basis of the terminology used in the table. He also reiterated that it had been intended as a summary, stating “each cell in the table aims to encapsulate what has been set out in more detail earlier in the FM.”

Issues arising from Oral and Written Evidence

General Comments

10. A number of respondents to the call for evidence suggested that the FM did not contain sufficient detail about the costs of the Bill. Aberdeenshire Council, for example, considered that “not enough detail has been provided in relation to actual costings.”

11. Similarly, East Renfrewshire Alcohol and Drug Partnership (ERADP) stated that: “the costs to cover the implications of the Bill have been understated and require reconsideration.”

12. Whilst NHS Greater Glasgow and Clyde (NHS GCC) stated “there is very little detail on the financial impact for the NHS” before concluding “it appears that the costs and timescales over which they would be expected have not been properly thought through.”

13. Angus Council stated “the estimated costs do not appear to be accurate. There is a lack of clarity throughout the document regarding actual and potential costs.”

14. Whilst North Ayrshire Council stated that the estimated costs in the FM could result in additional costs to it of £84,000 per annum which it would not be able to meet. This figure excludes those costs identified as being “unquantifiable” in the FM.

15. However, Fife Alcohol and Drugs Partnership (Fife ADP) agreed that “the general costs and savings outlined appear to have been accurately reflected in the assumptions made in the FM.”
16. When invited to respond to some of these statements in oral evidence, Dr Simpson stated that “some of the measures are quite difficult to cost, which is why I recommended that they be piloted in some areas.” Whilst his proposals would incur some costs, they would not cost nearly as much as had been suggested by some and when considered against the backdrop of the £4.5 billion per year that alcohol abuse cost the Scottish economy, he considered that “spending some money is not an unreasonable thing to do.”

17. Representatives of businesses also expressed concerns with the Wine and Spirit Trade Association (WSTA) for example, stating that the FM—

   “greatly underestimates the costs that these policies will place on retailers and producers of alcohol, stunting entrepreneurship, and doing little to address harms.”

18. Similarly the Association of Convenience Stores/Scottish Grocer’s Association stated that the FM “does not account for the financial burdens that will be placed on convenience stores.”

19. In oral evidence, Dr Simpson stated—

   “In our methodology, we have made a serious attempt to provide as many of the costings as possible but, because some of the proposals are innovative, it was inevitable that we could not provide full costings. Nevertheless, we are talking not about millions and millions of pounds but about a fraction of the additional profits that off-licences will receive from minimum unit pricing. The cost is therefore minimal.”

20. Later in the session, Dr Simpson expanded upon the potential for savings, noting that 105,000 cases involving alcohol come before the courts each year and pointing towards “a saving of £2,500 for each summary case that does not come before the courts.” In respect of costs relating to the imprisoning of offenders, he stated—

   “if we can reduce the number of people who go to prison—it has been estimated that just under half of the 45,000 admissions to prisons every year relate to alcohol—the annual saving from each prison place will be £34,000.”

21. When invited to expand upon the expected timescales over which such savings might materialise, Dr Simpson noted that alcohol consumption had reduced following implementation of the Licensing (Scotland) Act 2005 although, regrettably, this trend appears to have been reversed since the abandonment of the duty escalator by the UK Government. He went on to state—

   “We have difficulty in associating cause and effect, but all of the measures in the bill will contribute to a shift in culture...Where the culture will shift to, though, is a matter of speculation.”
22. When he was reminded that Standing Orders require all FMs to set out best estimates, Dr Simpson stated that some of the concerns raised in written evidence had come from “vested interests” and he “simply did not accept” some of the costings.

23. However, he conceded that the fact that some of the Bill’s provisions were innovative had made the estimating of certain costs and savings challenging, stating “When something is innovative, it is difficult to make a proper quantification of costs. We have done our level best within the available methodologies to provide the costs.”

24. Dr Simpson further stated that whilst he and the Non-Government Bills Unit had done their best within the resources available to them—

> “One of the problems is that we are trying to address this issue on the basis of breaking down the silos within the individual budgets. One of the greatest problems that we have faced as a Parliament is encouraging someone to carry out expenditure in one area when the savings accrue in another area. That is one of the problems here. It is difficult to break the costs down into the individual sections that the standing orders require.”

25. He went on to state, however, that as the overall costs to Scottish society of alcohol abuse amounted to £4.3 billion, even the upper estimates represented a “mere fraction of the cost to Scottish society of alcohol problems. If we can reduce those problems by a few percentage points, the Bill will more than pay for itself.”

26. When it was pointed out that the Committee applied the same standards to all Bills and had expressed concerns about the lack of detail in FMs accompanying Government Bills on a number of occasions (at times calling for revised FMs to be published and taking oral evidence on them from Ministers), Dr Simpson reiterated that he and the Non-Government Bills Unit had done their best within the resources available. However—

> “we have tried to distinguish between where we can work out the costs and where we cannot. In the areas where we say that there will be some costs but that they will be unquantified, we are not trying to deny that there will be some costs, but we are not talking about significant amounts. We mean that the figures are difficult to quantify.”

27. However, Dr Simpson went on to clarify that when the FM referred to “significant, but unquantified” sums, this only related to expected savings as opposed to costs.

28. In his subsequent letter, Dr Simpson expanded on the work that had been put into the FM by him and the Non-Government Bills Unit. The letter concluded by stating—

> “What I hope this demonstrates is the considerable efforts that were made to cost the measures in the Bill, and to be open and clear about the
The Committee recommends that best estimate figures for costs be provided before the Parliament is asked to vote on the Bill at Stage 1.

Issues Raised in Evidence: Part 1 – Licensing and Public Health

Minimum price of packages containing more than one alcoholic product

29. The Bill seeks to introduce what is termed a “multi-pack discount ban.” The FM describes this as “closing a loophole” in the Alcohol etc. (Scotland) Act 2010 (“the 2010 Act”). The FM states that its estimates in this area are based on figures from the FM for the Bill which created the 2010 Act and should be regarded as “speculative.”

30. The FM expects the provision to have a “marginal” financial impact on local authorities in terms of enforcement and changes to licencing conditions. On the basis of the figures from the 2010 Act’s FM, it is suggested that NHS Scotland might make savings of up to £1.74 million per annum after the legislation has been in force for ten years although the FM notes that this estimate should be treated with caution due to the margins of uncertainty.

31. ERADP, however, stated that the provision “would lead to all licences being recalled and reissued which would generate additional administration costs which are not budgeted for within the current fee system.”

32. West Lothian Licensing Board (WLLB) also stated that “all premises licenses would have to be recalled and additional conditions printed and attached to them” resulting in “significant costs in time, postage and printing for Boards.”

33. When asked about these concerns, Dr Simpson pointed out that the Government had changed the mandatory conditions on several occasions and that there had been “no publicity about that and no comment by the licensing boards that it has been a major problem.” However, as he had been “genuinely concerned” that all licenses would have to be recalled and reissued, he had approached the chairman of Scotland’s largest licensing board who had stated—

“I do not believe that providing all licence holders with a copy of any amended or updated mandatory licence conditions is an unduly onerous task as it is in effect a ‘mail shot’. I do not think it is necessary for the entire
licence to be reprinted—in my view an addendum with the new or amended conditions would be sufficient...In my view, if West Lothian’s argument was to succeed, licensing law would become entirely static and there would never be any changes to the mandatory licence conditions.”

The Committee notes the concerns expressed by some respondents regarding changes to licenses and recommends the lead committee explores this issue further.

Alcoholic drinks containing caffeine

34. The Bill would introduce a ban on alcoholic drinks with a caffeine content above a level to be set by Scottish Ministers. The FM notes that “there is a view” that consumption of caffeinated alcoholic beverages can lead to risk-taking, antisocial or violent behaviour.” As such, it anticipates savings to the policing, justice, prisons and health budgets.

35. The FM notes that businesses that manufacture, distribute or sell caffeinated alcoholic drinks could expect to see a decline in revenue unless the products are reformulated. As sales of this type of drink account for only a “very small” percentage of alcohol sales in Scotland, distributors and retailers are not expected to see a significant decline in revenues.

36. Expanding on this in oral evidence, Dr Simpson explained that whilst sales of caffeinated alcoholic drinks accounted for a small proportion of total alcohol sales, their consumption was concentrated in certain parts of Scotland and 43% of young offenders who admitted drinking at the time of the offence had consumed a particular brand of caffeinated alcohol. He was therefore of the view that, whilst the numbers involved were small, the consequences for affected communities and potential savings for the justice authorities could be significant.

37. The FM states that licensing boards will be required to inform all licence-holders in their areas which “should involve a very minor administrative cost.” However, Aberdeenshire Council stated—

“it is unfair to suggest that the impact of informing and updating all licence holders is a minor administration cost as each local authority will have differing numbers of licence holder thus creating an unfair and differential impact on budgets in different areas.”

38. WLLB also noted that it would incur similar “significant” costs to those noted above as a result of having to recall and reprint licenses.

39. The Association of Convenience Stores/Scottish Grocer’s Association also expressed concerns about the proposal which, it considered would “add further complexity to licensing and administrative burdens to retailers.” On that basis, it
urged the Committee to consider “whether powers for another mandatory condition are proportionate to the cost.”

40. When asked why the savings expected to arise as a result of the provision had been described as “significant, but unquantified”, Dr Simpson pointed towards research which had suggested that 5,000 crimes in Strathclyde had been committed by people drinking a certain type of caffeinated tonic wine. Whilst he was confident that a ban would reduce this figure and in so doing realise savings for the criminal justice budget, it was not possible to predict how many people would simply switch to other alcoholic drinks and commit crimes whilst under the influence of them. It would therefore be unreasonable for him to predict a 10% reduction (for example) when it was not possible to quantify such a projection.

Age discrimination: off-sales

41. The Bill aims to prevent Scottish Ministers or licensing boards from discriminating against adult customers on age-related grounds (for example, by refusing to sell alcohol to customers aged over 18 but under 21). However, individual licensees would remain free to impose such restrictions should they so wish. No significant costs are expected to arise for any organisation or individual as a result of the proposal.

42. However, NHS GGC suggested that this provision “may result in a cost to the NHS if it resulted in more teenagers requiring medical treatment as a consequence of alcohol misuse.”

43. When invited to respond to these concerns, Dr Simpson explained that the proposal was intended as a “principled element” of the Bill which sought simply to prevent age discrimination and was intended to clarify the law. Noting that levels of teenage binge drinking were declining, he went on to state “it is, to say the least, extremely unlikely that the Bill would lead to a sudden explosion in underage drinking.” Furthermore, he pointed out that there was no evidence that 18 to 21-year-olds were largely responsible for “the mayhem in some of our city centre” which, he stated, was more frequently caused by older drinkers.

Container marking: off-sales

44. The Bill would enable licensing boards to require off-sales premises to mark bottles (for example with stickers or UV pens) to enable the authorities to identify the source of alcohol confiscated from underage drinkers.

45. The FM notes that related costs could be expected to arise for local authorities and the police but states that it “has not been possible to obtain information about the costs of previous container marking schemes.”

46. In written evidence, Aberdeenshire Council stated that it was “difficult to provide comment on the implications of the container marking scheme where the FM does
not provide estimates and indeed states that there will be costs but that it has been difficult to obtain information about what these costs will entail.”

47. ERDAP also noted that East Renfrewshire Licensing Forum had piloted a bottle marking scheme which involved “considerable costs in relation to purchasing and distributing equipment to the licensed trade, maintaining the equipment, monitoring labelling, liaising with Police Scotland and associated enforcement costs” which “could not be factored within the current licence fees.”

48. Organisations representing businesses also raised concerns about the proposals, with the Wine and Spirit Trading Association (WSTA) for example, citing a pilot scheme in London which had cost each participating retailer £189 for UV labels alone over a three-month period. As there are 4,969 off-licences in Scotland, it suggested that this could cost retailers in Scotland over £3.7 million per annum “which could impact on employment or even the viability of stores.”

49. The Association of Convenience Stores/Scottish Grocer’s Association cited the same pilot and estimated that—

“implementing the blanket condition to the convenience sector alone would cost over £4 million to Scottish local authorities to run the scheme for just one year. In addition, the start-up costs for a container marking blanket condition would cost just under £750,000 for the convenience sector in Scotland” (not including staff costs).

50. However, in oral evidence, Dr Simpson described this evidence as being—

“based on a presumption that has two fallacies in it. The first fallacy is that the implementation of the proposals would be permanent and the second is that it would be extensive. Neither of those is correct. It will be up to the police, on the basis of their information gathering and their intelligence, to determine which off-licences they wish to focus on and for how long. I do not expect that such a scheme would go on for very long.”

51. He went on to describe the suggestion that the policy could cost retailers £3.8m as “absolute nonsense” stating “the number of licensees and the time for which the provisions would apply are small, so the costs would not be great.”

52. Costs relating to the administration of the licensing system should be funded by income from application fees. However, the FM notes that 29 of the 32 local authorities currently charge the maximum fee so would be unable to increase fees to cover any additional costs. The FM suggests that “one solution” would be for the Scottish Ministers to increase the prescribed maximum fee payable by licence holders.

53. Aberdeenshire Council agreed with this proposal stating that “the Scottish Ministers should look to raise the maximum licensing fee in order that appropriate costs can be covered. This would have particular relevance for Occasional
licences.” Should this not happen, Aberdeenshire Council stated that it would be necessary for additional funding to be made available to licensing boards.

54. Other local authorities and related bodies including ERDAP, Fife Council, North Ayrshire Council, South Lanarkshire Council and WLLB echoed this view with WLLB stating that “the only recourse for licensing boards to increase their income to cover additional costs would be for the Scottish Ministers to increase the level of fees.”

55. However, business representatives were less keen on the suggestion with the WSTA for example, stating—

> “We strongly object to any addition that will increase the cost of a licensing application at this point, as it punishes responsible licensees and stunts entrepreneurship and retail sector growth.”

56. Similarly, the Association of Convenience Stores/Scottish Grocer’s Association stated “We urge the Committee to reconsider this possibility; businesses should be incentivised to grow rather than be burdened with additional costs such as this.”

57. Responding to these comments in oral evidence, Dr Simpson pointed out that licensing fees had not been increased since 2007 and that “even to keep them the same in real terms would mean a 23% increase.” Consideration of an increase in fees, he suggested, was not unreasonable now that the economic situation had improved.

58. Alternatively, Dr Simpson suggested that his proposals could be funded by the introduction of a social responsibility levy on retailers under the Alcohol etc (Scotland) Act 2010.

The Committee recommends that the lead committee examines further why it was not possible to obtain information about the costs of previous container marking schemes given that a number of pilots appear to have taken place.

Applications for, or to vary, premises licence: consultation and publicity

59. The Bill seeks to extend from 21 to 42 days the period during which representations or objections about a licence application can be made. It also seeks to expand the requirement to consult local residents from those residing within the current 4 metres of a premises to those within 50 metres when community councils are not active in the area (estimated to amount to around 16% of the population).
60. North Ayrshire Council noted that, in its area around 23% of community councils were inactive and suggested that, as some of these community councils covered urban areas with relatively high house density, “a 50 metre intimation rule would substantially increase the number of intimations.” It estimated that this would cost it an additional £7,000.

61. The FM expects no significant costs to arise from the extension of the period for which notices must be displayed. It estimates that on average, the expansion of the area in which residents must be consulted in certain circumstances would cost £5,600 per Licensing Board or £180,000 in total across Scotland.

62. However, Aberdeenshire Council stated that the FM and Bill left a number of questions unanswered—

“what is constituted as an “active” community council? How is this to be established by Licensing Boards? Should a check be done for each application as to whether or not a community council is still active? The time that may be spent researching this could be more productively used given tight resources.”

63. When the Committee expressed surprise that Aberdeenshire Council did not hold records on whether community councils in its area were active or not, Dr Simpson stated that he too was surprised as he—

“would have thought that it was a duty on councils to know which community councils were active and which were not. Councils need to carry out consultations, for example on health and social care integration, during which they presumably talk to the community councils as part of the process. Any major change by the NHS requires consultation, so councils need to consult their communities. In areas where community councils are inactive, the council would need to have a different mechanism for that.”

64. Dr Simpson also stated that having considered the evidence, he was not particularly wedded to the proposed 50m rule and would have no objections to a reduced distance which could be expected to result in lower costs to local authorities.

Restrictions on advertising of alcohol

65. The FM explains that the Bill seeks to impose restrictions on the advertising of alcoholic drinks within 200m of schools, nurseries or play areas. Any breach would be punishable by a fine or fixed penalty.

66. The FM suggests that local authorities and Police Scotland may incur minimal costs in relation to the familiarisation of their staff with the new regime. It also notes that any fixed penalties imposed would be payable to the relevant local authority. Fines/fixed penalties are expected to range from £150 (on prompt payment within 15 days) to a maximum of £5,000 on summary conviction.
67. However, ERDAP stated that “there is potential…for the level of enforcement and monitoring of this proposal to significantly outweigh any revenue generated.”

68. WLLB questioned how the changing landscape around licensed premises would be monitored, stating that “very significant cost implications” could be incurred were it to have responsibility for identifying the opening of a new nursery or crèche and taking appropriate actions as a result. The Scotch Whisky Association (SWA) also raised similar questions.

69. However, Fife ADP confirmed that it would “be able to meet the financial implications…of the fixed penalty diversion scheme within [its] overall grant funding.”

70. The FM also acknowledges that there may be some related loss of revenue for businesses such as advertising agencies or alcohol producers and retailers.

71. However, the Advertising Association suggested that the Bill could have a “negative direct and indirect” impact on creative agencies and media reliant on advertising revenues as well as on infrastructure funded by advertising (such as bus stops) and outdoor events.

72. Citing industry data sources, the Advertising Association went on to suggest that the Bill would—

> “effectively prohibit all outdoor alcohol advertising by rendering virtually all sites unusable. It is reasonable therefore to assume the Bill would lead to a de facto ban on all outdoor advertising of alcohol products in Scotland with an annual revenue loss of £2,731,433 to outdoor contractors.”

73. This loss, the Advertising Agency estimated, could impact on the viability of approximately 300 jobs across Scotland.

74. Citing the same figures, the WSTA stated that the proposed restrictions were “incredibly strict and would likely lead to a cost of millions of pounds to the wider economy.”

75. In oral evidence however, Dr Simpson noted that a voluntary 100 metre ban was already in place and pointed towards legislation in France which imposed a complete ban on the advertising of alcohol. Nevertheless, he noted that the advertising industry in France appeared to be “alive and well.”

76. When invited to expand further, Dr Simpson suggested that alcohol advertising would likely be replaced by other types of adverts, noting that he had not seen “hundreds of empty billboards spaces” within 100m of schools in his constituency.
The Committee notes some of the concerns raised in written evidence and the figures provided by stakeholders. As no figures have been provided in the FM the Committee recommends that the lead committee gives further consideration to this issue.

Issues Raised in Evidence: Part 2 – Offences etc. Involving Alcohol

Drinking banning orders

77. The Bill seeks to introduce drinking banning orders (DBOs) which, the FM explains, would be similar to ASBOs and “are designed to protect the community from a specific range of behaviour associated with an individual’s alcohol misuse.”

78. On the basis of the experience in England and Wales where DBOs were introduced in 2009, the FM estimates that around 30 DBOs would be issued in Scotland per annum. Around 25 are expected to be imposed following an application to the court (by the police or local authority) whilst the remainder would be imposed on conviction of an offence. The FM states that “on conviction” DBOs would incur smaller costs as they would simply involve an additional disposal following a trial that was already taking place.

79. The FM states that DBOs could be expected to have a financial impact on the police, the Scottish Courts and Tribunals Service (SCTS), the Crown Office Procurator Fiscal Service (COPFS) and the Scottish Legal Aid Board (SLAB). Local authorities and Police Scotland are expected to incur costs of between £1,000 and £4,000 per application made by them or a mid-range cost of £60,000 per annum.

80. However, Police Scotland questioned the likelihood of it incurring these costs stating—

“This is unlikely; the simplest and most cost effective way for Police Scotland to pursue a Drinks Banning Order is through the Criminal Courts at sentencing for a Standard Prosecution Report we have submitted where no cost would be involved.”

81. Individuals subject to a DBO may also be offered the opportunity to attend an approved course (successful completion of which would reduce the period of the DBO). The FM expects that these courses would be provided by commercial organisations and that the individual concerned would meet the costs through payment of fees.
82. However, Angus Council stated in written evidence that “there is a lack of detail regarding how this will be enforced and what the cost implications of enforcement are. Additionally, there is a lack of detail regarding the funding of an “approved course” as stated within the bill.”

Fixed penalty offences involving alcohol: alcohol awareness training as alternative to fixed penalty

83. The Bill would also introduce a pilot scheme whereby an individual arrested for an alcohol-related public order offence could opt to attend an alcohol awareness training course instead of paying a fine.

84. The FM states that, as some of the details of the pilot scheme (including the geographical area covered by it) would be left to Ministers to decide on, “there is a large degree of uncertainty about the actual costs that would be incurred.”

85. By way of example, the FM highlights a six-month pilot carried out in Kirkcaldy in 2009 which cost around £9,000. Were a similar scheme to be piloted over a year therefore, the FM suggests that it could cost £18,000. Evaluation of the scheme is estimated to cost £15,000.

86. The Policy Memorandum states that the pilot scheme was then rolled out across Fife in 2010 and cost, on average £39,000 per annum plus £6,000 in capital costs. Were these figures to be extrapolated for Scotland as a whole in line with population, the FM suggests an annual national cost of £570,000 per annum, with £87,000 in one-off capital costs.

87. Police Scotland pointed out that—

“This will involve a significant revision of our ASBO fixed penalty tickets given the references to discount periods etc. which is unprecedented. I also note that the bill makes reference at Paragraph 2c and 3 of the Schedule that payments are made to the Local Authority. This is a departure from current ASB Tickets that would be paid to Scottish Court and Tribunal Service.”

88. Any such changes would require Police Scotland to develop a process for transferring ticket information to local authorities which could involve “significant IT development and associated costs.”

89. Police Scotland also pointed out that the Bill would require the withdrawal of all standard anti-social behaviour ticket books and the issuing to police officers of new ones although the likely costs had not yet been ascertained.

90. In response to these comments, Dr Simpson accepted that changes to tickets could be expected to incur some costs but pointed out that “paperwork associated with fixed penalties has to be upgraded from time to time.” He went on to suggest
that costs could be ameliorated by waiting until other changes were being made then doing them all simultaneously.

91. When invited to respond to Police Scotland’s specific concerns about the mechanics by which it could require fixed penalties to be paid to local authorities, Dr Simpson undertook to provide further clarification in writing.

92. In his letter, Dr Simpson explained that the schedule of the Bill to which Police Scotland had referred had been based on the Smoking, Health and Social Care (Scotland) Act 2005 which provided for fixed penalties to be paid to the council in whose the area the offence had been committed.

93. The letter went on to confirm that Police Scotland was correct in pointing out that the Antisocial Behaviour etc. (Scotland) Act 2004 provided for fixed penalties to be paid to the SCTS rather than local authorities. However, the letter concluded—

“As the police must already have different ticketing books and IT arrangements for fixed penalties under the 2004 and 2005 Acts, I am unclear why my Bill would create additional cost and complexity by its choice of one existing Act rather than the other as its model.”

94. The FM suggests that the successful roll out of the scheme might result in lost fixed penalty income of around £290,000. However, such losses are expected to be offset by longer-term savings to the health and justice budgets.

95. The FM states “Depending on the overall source of funding for the schemes (see footnote 33) it is anticipated that some of the funding for the scheme may come from local authorities.”

96. Footnote 33 explains that funding for the scheme may come from Alcohol and Drug Partnerships (ADPs) which are funded from the health budget (for alcohol) and the justice budget (for drugs). It further notes that other partners such as health boards, local authorities and the police may also contribute to ADPs from their own budgets.

97. ERDAP agreed with the FM that the costs of rolling out such a scheme were “uncertain at this stage and would require to be appropriately evaluated.” It also pointed out that there would be “an additional cost implication to provide alcohol awareness courses.”

98. Similarly, NHS GGC stated—

“There is also lack of clarity on the form or delivery of alcohol awareness training. It may result in savings for the NHS in the long term but it will also require investment in delivery of this training. Details have not been provided on how this training will be delivered, who will be responsible for the content and quality assurance of this training and who will fund it.”
99. In oral evidence, Dr Simpson explained that the Fife pilot achieved a 34% response rate at a cost of £17 per intervention (or £35 including coordination costs). Given his experience as a consultant psychiatrist he was of the view that this represented excellent value for money in return for a relatively small investment.

100. Expanding on this, he explained that over a period of just over two years in Fife there were 2,947 referrals of whom 1,004 people attended the awareness course. The course was intended to change people’s attitude to alcohol at an early stage and, if it contributed to reductions in reoffending and the need for expensive addiction treatment at a later stage, then significant savings would be realised in return for a “very small” outlay.

101. Whilst recognising that the pilot had been relatively small in scale and that Fife was not representative of all parts of Scotland, Dr Simpson was “reasonably confident” that a larger pilot in one of the larger cities would lead to “even greater” savings.

The Committee agrees that the Fife pilot appears to have contributed to the delivery of positive outcomes in return for a relatively small outlay. However, the lead committee may wish to seek clarity on who would have responsibility for funding and delivering the alcohol awareness training courses.

**Offences involving alcohol: notification of offender’s GP**

102. Finally, the Bill would require a court to notify a person’s GP if they had been convicted of an offence where, in the court’s view, alcohol had been a contributory factor. The GP would be under no obligation to take any action, but the intention is to alert him or her to a potential health-related issue.

103. The FM states “it has proved difficult to provide any definitive costings for the notification scheme for a number of reasons” but notes that costs could be expected to arise for the SCTS and for GP practices.

104. The SCTS has estimated the administrative costs of issuing notifications to amount to a minimum of around £150,000 per annum (on the basis that around 48,000 notifications would be issued annually). However, the FM notes that the figure of 48,000 convictions for which alcohol was a contributory factor may be “an over-estimate.” The SCTS has also stated that its IT system would require to be updated at an estimated one-off cost of £10,000.

105. Any resulting additional time commitment for GPs would be at their own discretion and would be absorbed within existing working hours. The FM also suggests that the approach could be expected to result in net savings for the NHS as a result of early medical intervention and treatment where appropriate.
106. However, the Royal College of GPs stated that the terms of the Bill—

“do not mandate but imply expectation for how this information will be managed by GPs. The impact of this on both administrative and clinical workload and resource is untested with no account of cost or planning to manage the potential financial cost to GP Practices. RCGP Scotland believes that the costs and further pressure on current resources cannot be accommodated within GP practices’ normal working hours.”

107. NHS GGC considered it unlikely that all GPs would be willing to participate in the scheme but for those who would, it would be normal for them to “request funding for additional work” into which category the proposal could be expected to fall.

108. Responding to these comments in oral evidence, Dr Simpson explained that GPs were already required to undertake brief interventions and that a full-time GP would undertake around 400 such brief interventions per year. The Bill, he explained, was not intended to add to this workload but to focus it.

109. Dr Simpson went on to suggest that the proposal could take effect at such time when the electronic transferal of patient information to GPs is introduced, thereby allaying concerns about its administrative impact.

Conclusion

The Health and Sport Committee is invited to consider the above in its scrutiny of the Bill at Stage 1.