Alcohol (Minimum Pricing) (Scotland) Bill

West Dunbartonshire Licensing Board et al

The following evidence is submitted on behalf of West Dunbartonshire Council; West Dunbartonshire Community Health and Care Partnership; West Dunbartonshire Licensing Board; and West Dunbartonshire Alcohol and Drugs Partnership. The Community Health and Care Partnership is a Joint Committee between West Dunbartonshire Council’s Social Work Committee and NHS Greater Glasgow and Clyde’s Community Health Partnership.

It is noted that the Committee invites evidence on the following points:

- The advantages and disadvantages of establishing a minimum alcohol sales price based on unit of alcohol.
- The level at which a proposed minimum price should be set and the justification for that level.
- Any other aspects of the Bill.

This response will consider these issues in turn.

1. West Dunbartonshire Local Data

Prior to setting out our joint views on the advantages and disadvantages, it may help the Committee to provide local evidence on the extent of alcohol related problems in West Dunbartonshire. During 2009 to 2010 West Dunbartonshire Licensing Board, together with its partners, particularly the ADP and Strathclyde Police, obtained extensive data on alcohol related issues in West Dunbartonshire. These formed the Board’s overprovision policy, which applies to pubs, nightclubs and off-sales within 15 out of 18 geographical areas within West Dunbartonshire. It appears that West Dunbartonshire is the only area in Scotland which has to date gathered such extensive evidence. Accordingly, it is hoped that this local evidence will supplement the national evidence detailed in the Policy Memorandum accompanying the Bill.

Figures were obtained regarding the crime rate and police incident rate relating to certain alcohol related crimes, the alcohol related hospital admissions rates and alcohol related death rates 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 of Appendix 1 are those where the rate was above the average for the Strathclyde Police force area for crimes and police incidents and which are above the Scotland rate for alcohol hospital admissions and alcohol related deaths. The figures are normalised to represent the number per 100,000 of the population to enable comparisons to be made.
Updated health information on alcohol related deaths 2008/2010 and emergency admissions 2009 and 2010 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 5 cases, the figures were more than double the Scottish average.
- Fifteen out of the 18 areas were above or average for 3 out of 4 of the alcohol related figures for:
  
  (a) Crime rate;
  (b) Police incident rate;
  (c) Hospital admissions rate; and
  (d) Death 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 highest alcohol related death rate for males (previously third) and had the twelfth highest for females. It is understood that two of our neighbouring authorities had the two highest death rates for males.
- West Dunbartonshire Survey information showed that 62% of males and 51% of females were exceeding the recommended weekly limits for alcohol consumption. This compares with a Scottish figure of 42% for males and 34% for females.
- A 2004 Audit by West Dunbartonshire Social Work Department found addiction problems in:
  
  o 50% of all cases held by the Children and Families Team;
  o 72% of all cases held in the Criminal Justice Team; and
  o 61% of accommodated children and young people cases.

- 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 showed 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 2009/2010 identified that only 41% of total prisoners were identified as sober at point of reception. As most warrants are planned and executed at a time unlikely to encounter drunkenness, anecdotal police evidence suggests that for other arrests there is 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.
A survey was undertaken in Whitecrook, Clydebank, in 2008 to identify where members of the public bought alcohol. From this survey it was evident that 85% bought their alcohol outwith the area, at the nearest supermarket (Asda). The conclusion was that members of the public would travel 2 to 3 miles to obtain low cost alcohol, usually from supermarkets. This means that for health problems it is difficult to clearly link these to the number of premises in the same area. In this case the problems occurred in Whitecrook but the alcohol was bought in Clydebank Central.

The broad conclusions from the survey data were that there were three key problems:

- Alcohol related deaths, hospital admissions, domestic abuse, fire, crime and police incidents outwith town centres - predominantly linked to low cost alcohol from large supermarkets.
- Youth crime and disorder/underage and outdoor drinking - alcohol generally obtained from off-sales, often by agent purchase.
- Crime and disorder on Friday and Saturday nights in town centre - while the attractiveness of pubs and nightclubs and the night time economy is one factor in this, the increasing trend of preloading at home before going down town means that these problems often have their root in the consumption at home of cheap alcohol, the majority of which is obtained from supermarkets.

2. The Advantages and Disadvantages of Minimum Pricing

It is clear from the foregoing data that alcohol is one of the most significant problems facing West Dunbartonshire and its regeneration. These 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.

The question of the advantages and disadvantages of minimum pricing inevitably leads to a comparison of the pros and cons of minimum pricing compared to the alternatives. Looking at the alternatives these are:

Focus on cultural change without legislation
Lobbyists for supermarkets and major drinks companies will suggest that minimum pricing or taxation changes are not required and that the Scottish government should attempt to change drinking culture. Effectively this represents the ‘do nothing’ option and will achieve nothing. Government attempts to change drinking culture have been unsuccessful. Meanwhile, marketing and pricing policies of supermarkets and drinks companies have been a significant contributor to the present problem culture, encouraging increased consumption and increased preloading. To date there has been little evidence that the large supermarkets and drinks companies will, in the absence of legislation help to change the culture of drinking. For example, in October 2011 the introduction of irresponsible promotions to off-sales simply resulted in Tesco offering the same multi-deals from a delivery centre in England and other supermarkets lowering the price of single units.
More effective use by Licensing Boards of their existing powers
It may be suggested that the present legislation is adequate and the problem lies in Licensing Boards not using their powers to their fullest extent. West Dunbartonshire Licensing Board has been unique amongst Boards across Scotland in adopting an overprovision policy which applies in 15 out of 18 areas. However, an overprovision policy cannot reduce the number of premises, cannot reduce the availability of alcohol, and will have little impact in the short to medium term on alcohol related problems. It should also be noted that the recent case of Brightcrew -v- City of Glasgow Licensing Board stated that when dealing with Applications, Licensing Boards require to make a direct causal link between alcohol related problems and the sale of alcohol in specific premises. This makes it very difficult for Boards to use health information obtained on 'whole population basis' and to apply this to individual premises. In short, West Dunbartonshire Licensing Board, having used the licensing legislation to its fullest extent, has no hesitation in stating that licensing legislation will not, on its own, result in significant improvements to Scotland’s health related alcohol problems.

Alternative Proposals
The West Dunbartonshire bodies would commend to the Parliament the evidence contained in the Policy Memorandum showing a clear link between alcohol related problems and the price and availability of alcohol. It welcomes the fact that the UK government, the Westminster Parliament Labour opposition, the Scottish government and almost all opposition parties in the Scottish Parliament all accept this link. Our position is that the greater the increase in price, the greater the beneficial impact on alcohol related problems in West Dunbartonshire. Depending on the price per unit at which minimum pricing is set, it has the potential to result in the greatest immediate increase in alcohol prices and the quickest reduction in alcohol related problems. Assuming a minimum price of at least 45p per unit, the alternative proposals will result in a smaller increase in price and a less beneficial impact:

- UK government - in January 2011 the UK government proposed a ban on sales of alcohol below the rate of duty plus VAT. This appears to result in the following pricing:

  440 ml lager can at 4.2% - 38p;
  1 litre cider at 4.5% - 40p;
  750 ml wine at 12.5% - £2.03; and
  1 litre vodka at 37.5% - £10.71.

- It is clear from the foregoing figures that this proposal will have no impact whatsoever on the price at which alcohol is sold and will therefore have little, if any, impact on alcohol related problems.

- The recommendation from the Scottish Labour Party in August 2010 was that there should be a UK floor price for alcohol which should be above the total cost of production, duty and VAT. Duty rises were to be the main lever for achieving price increases. There are a number of potential weaknesses with this approach. Firstly, the UK government has signalled that it will do
something different and, accordingly, this is unlikely to happen within the lifetime of the present UK government. Secondly, it may be difficult to get accurate data on the total cost of production. Thirdly, while duty rises could eventually result in similar pricing levels to those proposed by the Scottish government, this would depend on the willingness of successive UK governments to raise duty. Inevitably such increases would reflect the level of problems across the UK and rule out an approach more tailored to Scotland’s greater alcohol related problems.

- Alcohol and caffeine - it is understood that one of the proposals which emerged from the Commission appointed by the Scottish Labour Party was that there should be a legal limit on the caffeine level in alcoholic drinks. While we would be in favour of this, this measure is largely targeted at the link between alcohol, caffeine and violence and disorder. It would not deal with the major alcohol related health problems. It is also noted that increasingly high caffeine soft drinks are being used as mixers with vodka. Nevertheless this is a worthwhile proposal which should supplement rather than substitute for minimum pricing.

The disadvantages of minimum pricing have been suggested as the following:

- Litigation - it is undoubtedly the case that the proposal will be challenged by major supermarkets and drinks companies in court. There are different legal views on the validity of the proposal. At the very least the act, once passed, will be bogged down in litigation, possibly ending up in the European courts. Until then the Act cannot be brought into force. Nevertheless our view is that this is a risk worth taking. Otherwise there will be no effective measure to control the sale of low cost alcohol from supermarkets and Scotland’s problems with alcohol will simply get worse.

- It has been suggested that minimum pricing will simply result in greater profits for supermarkets. This can be answered in several ways. Firstly, the whole point of minimum pricing is to reduce the volume of alcohol sold and improve Scotland’s alcohol related problems. It is not aimed at the supermarkets and the fact that this might increase their profits is irrelevant in the context of alcohol related health, crime and disorder figures. Secondly, if there is an intention that supermarkets should help pay for the problems that their activities create, then this can be recovered either through the public health levy or the social responsibility fee. Thirdly, it is understood that supermarkets sell much of their low cost alcohol at below cost price. It is understood that no VAT is paid on this and there are tax advantages in claiming back below cost sales as an expense of promotion. Accordingly, minimum pricing will in fact result in an increased VAT and tax take. If the Committee are at all concerned at this issue, it is recommended that they obtain independent taxation advice on the taxation treatment of below cost sales of alcohol.

- It has been suggested that minimum pricing will lead to unregulated sale of cheap alcohol being purchased across the border. If the Committee are concerned about this, it would be worthwhile to obtain the views of ACPOS. It is understood that the view of Chief Constables is that this is not a significant concern. If minimum pricing was successful in Scotland then it
would probably follow into England and Wales in due course. It is also noted that legislators in Wales and Northern Ireland are also looking at minimum pricing, as is Manchester.

- That minimum pricing would impact on hard pressed family budgets. This is only the case if families continue to purchase their present level of alcohol. As national figures show that 22.8 units per person over 18 are purchased each week in Scotland, a reduction in the volume of alcohol purchased would be a good thing. To be blunt, the whole point of increasing price is to give the public a genuine dilemma as to whether they can afford to continue drinking at the present rate. If there is no challenging price per unit then they will simply continue to drink at the present rate.

- The whisky industry argue that minimum pricing will damage the whisky trade, both nationally and internationally. West Dunbartonshire has a number of major whisky distillers and bonds within its area. We are also keen to ensure that the whisky trade in not inconvenienced. It is, however, difficult to see any good reason why minimum pricing would affect the whisky trade, except at the very lowest level of discount supermarket whisky. It should, however, be noted that most whisky producers are part of multi-national drinks companies. It may be that the primary concern of these drinks companies is the effect of minimum pricing on cheap vodka, cider etc and the whisky issue is really being used as a tactic to stop increases to other drinks etc. Accordingly, it is important that the Committee drill down to find concrete data on the actual impact of minimum pricing on Scottish whisky.

3. The Level at which a Minimum Price should be set

The update on Alcohol Sales and Price Band Analysis 2011 Report by NHS Scotland collected data on pricing levels. It noted higher off-trade sales (compared to on-trade sales) were particularly marked in the 30p to 44.9p 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 45p per unit and 134p per unit through the on-trade. A minimum unit price of alcohol would therefore impact much more on the off-trade than on on-trade. Indeed, many in the on-trade support minimum pricing as a means of levelling the playing field and supporting the night time economy. Given the value to Scotland of its night time economy, this is a material consideration.

The NHS Report also 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 were 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% at less than 50 per unit. Their conclusion was that if a minimum price per unit was introduced, changes in alcohol prices and disposal incomes would need to be monitored to assess whether they might influence the potential effect of a minimum unit price on consumption and harm. It is noted that the Scottish Government proposes to re-run the Sheffield University model to give up-to-date evidence as to what the proposed minimum price should be.
As minimum pricing will be challenged in the courts, it is important that the level at which the price is set is backed up by robust evidence. It is also important that the level is set by secondary legislation, allowing changes to be made. When minimum pricing is introduced, the supermarkets and major drinks companies will try to continue to sell as much alcohol as possible and will alter their marketing and pricing structure accordingly. In these circumstances we agree with the proposal that the price should be set in secondary legislation, following a re-run of the Sheffield University model and that ministers should have the power in secondary legislation to vary the minimum price as circumstances change.

In broad terms our view is that the higher the minimum price, the greater the improvement in alcohol related health problems, crime, disorder, fires, domestic abuse, addictions etc. While agreeing that the price should be set on the basis of as much evidence as possible, our view is that initially it should be set at approximately 50p per unit.

4. Any other aspects of the Bill

One further matter which may repay some research is in relation to the pricing structure of contracts between the big drinks companies and the major supermarkets. We have heard that major drinks companies, in an effort to achieve year on year increases in sales, will provide a substantial refund to major supermarkets if they increase their sales percentage each year. It has been suggested that the need to obtain this discount or refund is a key driver in supermarkets selling alcohol at less than market value. If so, the pricing policies of the major drinks companies could be a significant contributor to Scotland’s alcohol problems. If the opportunity arises it may be worthwhile for the Committee to seek clarity from the major drinks companies on this point.

We are happy that this evidence is published by the Parliament and treated as a public document. Should the Committee wish to hear in person from those submitting this evidence then we are happy to attend the Committee.

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