



RESPONSE TO FINANCE AND PUBLIC ADMINISTRATION COMMITTEE CONSULTATION ON SCOTLAND'S PUBLIC FINANCES IN 2022-23 AND THE IMPACT OF COVID

Alcohol Focus Scotland (AFS) is the national charity working to prevent and reduce alcohol harm. We want to see fewer people have their health damaged or lives cut short due to alcohol, fewer children and families suffering as a result of other people's drinking, and communities free from alcohol-related crime and violence. AFS welcomes the opportunity to respond to the Finance and Public Administration Committee's Consultation on Scotland's Public Finances in 2022-23 and the impact of COVID.

Summary:

- **Adopting a preventative approach to public health has never been as important as now in the wake of the pandemic.**
- **We must take steps to reduce the avoidable human and economic costs of alcohol harm to Scotland, estimated at £3.6bn each year.**
- **The burden of alcohol harm falls most on those in our most deprived communities, where rates of alcohol-specific deaths and alcohol-related hospital stays are eight times higher than in the most affluent areas**
- **International evidence is clear that increasing the price of alcohol, reducing its availability and restricting marketing are the 'best buys' in reducing alcohol harm.**
- **Increased investment in recovery-oriented treatment and support for those already experiencing alcohol problems is also required. As with drugs, people have both a need for and a right to such support.**
- **Alcohol consumption in Scotland prior to COVID-19 was already at very high levels, with enough alcohol sold for every drinker in Scotland to exceed the Chief Medical Officers' low-risk drinking guideline by 54% on every week of the year.**
- **COVID-19 and the associated restrictions have polarised drinking patterns. Increases in high-risk and harmful drinking during the pandemic has been observed most for those who were already drinking more heavily and with lower socio-economic status. This could further increase inequalities.**
- **There is an opportunity to re-establish a Public Health Supplement, or to establish a new Alcohol Harm Prevention Tax which would apply to all alcohol sold by retailers in the off trade. This would generate much-needed funds for local prevention, treatment and care and enforcement activity, to reduce alcohol harm.**
- **Every Scot has the right to health and the Scottish Budget should be based on protecting, promoting and fulfilling human rights.**

1. How should the Scottish Government's Budget for 2022-23 address the need for a fair and equal recovery from the Covid crisis?

In this, the tenth anniversary year of the Christie Commission, prevention has never been more important both in terms of improving the health and wellbeing of the nation and in terms of optimising limited public resources. Alcohol claims the lives of 3,700 Scots a year and blights the lives of thousands more.¹ Alcohol harm is estimated to cost Scotland £3.6bn each year, including almost £500 million a year in health and social care costs.² For example, recent research has identified that 16% of all ambulance callouts in 2019 were alcohol-related.³ This is an unacceptable and avoidable burden on or NHS.

The burden of alcohol harm falls disproportionately on those in our poorest communities, where rates of alcohol-specific deaths and alcohol-related hospital stays were eight times higher than in the most affluent areas before the crisis.⁴ The pandemic and the social restrictions which have accompanied it appear to be polarising drinking habits in Scotland, with a real risk of widening existing inequalities in alcohol harm. A survey conducted in June/July 2020 for Alcohol Focus Scotland found that although 13% of people had cut down or stopped drinking during the first national lockdown, one in five people were drinking more.⁵ Evidence from across the UK suggests an increase in high-risk and harmful drinking during the pandemic,^{6 7} which has been observed most for those who were already drinking more heavily^{5 8} and those with lower socio-economic status.⁹ Anecdotal evidence from frontline organisations suggests significant increases in demand for support both from those worried about their own drinking as well as those concerned about a family member or friend's drinking.^{10 11 12 13}

Alcohol harm data recently published in England (not yet available in Scotland) has revealed an increase in alcohol-specific deaths during the pandemic, particularly for people living in the most deprived areas (with three times as many deaths in the most deprived areas compared to the least deprived).⁸ Driven by alcohol-related liver disease, this is consistent with increases in consumption for the heaviest drinkers in the most deprived areas. Public Health England note that "this may present a risk that alcohol harm persists or worsens among people already at risk of experiencing harm."⁸

There is a strong international evidence base that increasing the price of alcohol, reducing its availability and controlling how it is marketed can prevent alcohol harm.¹⁴ These policies cost little if anything to implement. Where investment is required, however, is in fulfilling people's right to access the support and treatment they need to help them to recover when they experience an alcohol problem. We have recently seen a significant investment in drug treatment in response to the increasing numbers of people who are tragically losing their lives to drugs. This needs to be matched with investment in recovery-oriented alcohol services.

Alcohol consumption in Scotland prior to COVID-19 was already at very high levels, with enough alcohol sold for every drinker in Scotland to exceed the Chief Medical Officers' low-risk drinking guideline by 54% on every week of the year.¹⁵ According to the Scottish Health Survey 2019, 24% of Scottish adults are drinking at hazardous or harmful levels, and over 45,000 people may be dependent on alcohol.¹⁶

However, even prior to COVID-19, the proportion of people with alcohol dependence who accessed specialist alcohol treatment was very low, at around one in four.¹⁷ As indicated above,

the pandemic and associated social restrictions appear to be exacerbating alcohol problems for some. Calls to helplines and referrals to support services have increased, along with relapse rates for people in recovery from alcohol dependence.^{10 11 12 13}

With Scotland facing “the prospect of an inevitable sharp rise in unemployment”,¹⁸ an increased need for treatment and support can also be expected into the longer term. Unemployment is a key economic stressor that can worsen patterns of alcohol consumption and attributable harm, and the impact of unemployment on alcohol consumption and alcohol-related health problems is greater during economic crises.¹⁹ Greater impact is experienced by certain groups, with men, those aged 25-34 and 45-59, and those with low educational levels disproportionately affected.¹⁹ Financial insecurity has already been driving increased consumption during the pandemic in the UK, especially for the most disadvantaged groups.^{20 21}

The Scottish Government has an opportunity to safeguard lives over the next decade by investing in services and support for people at risk of alcohol problems now, in line with its Rights, Respect and Recovery strategy for substance misuse and the 2018 Alcohol Framework. Effective treatment and support can prevent episodic problems becoming life threatening and ensure communities are not further affected by alcohol.

Alcohol Focus Scotland believes that the Scottish Government should use its fiscal powers to raise revenue from the sale of alcohol to support the COVID-19 recovery and fund public services (making the ‘polluter pay’), including improved recovery-oriented services. The funds raised would help offset the significant costs to the public sector of dealing with the consequences of alcohol harm. Alcohol harm costs an estimated £3.6 billion per year.² This includes an estimated loss of £865 million to the Scottish economy’s productive capacity (due to presenteeism, absenteeism, unemployment and premature alcohol-related mortality), £268 million in health care costs, £230 million in social care costs, and £727 million for alcohol-specific offences and crimes.

The Scottish Government’s devolved and local tax powers provide two mechanisms through which those who profit from the sale of alcohol can be made to contribute towards alcohol-related harm costs and preventative action.

1. A public health supplement to non-domestic (business) rates, applied to retailers licensed to sell alcohol and linked to volume of sales
2. The creation of a new local public health tax that applies a levy to the sale of alcohol in the off trade

Revenues would be levied, collected and spent by local government on mitigating the wide-ranging social costs associated with alcohol use, and could include local preventative and enforcement activities.

The first mechanism, that of a **public health supplement**, was previously employed by the Scottish Government between 21 April 2012 and 31 March 2015, in order “to address the health and social problems associated with alcohol and tobacco use” and to generate income for preventive-spending measures.²² The supplement (9.3 p per pound of rateable value in 2012-13 and 13p per pound in 2013-14 and 2014-15) applied to retailers licensed to sell alcohol and registered to sell tobacco, with a rateable value of £300,000 or more. The supplement was regulated for through the Non-Domestic Rates (Levying) (Scotland) (No. 2) Regulations 2012, in exercise of the powers

conferred by section 153 of the Local Government etc. (Scotland) Act 1994. The supplement was successful in raising significant revenue of £95.9m over its 3-year duration.²³

Alternatively, a **new local alcohol harm prevention tax** could apply specifically to alcohol retailers and be linked to the volume of pure alcohol sales rather than to rateable value. This would facilitate even greater generation of income than the previous supplement, creating the means to claim a proportion of the increased revenue that off-trade alcohol retailers have likely experienced as a result of the implementation of minimum unit pricing (MUP) since 2018²⁴ and on-trade COVID-19 restrictions.²⁵ For example, off-trade sales increased by 28% in Scotland between March and July 2020.²⁶ Linking the tax to the amount of pure alcohol rather to the rateable value would more directly relate the tax to the harm caused.

It is reasonable to expect that some of the costs of this tax would be passed on to the consumer. As price is a key driver of alcohol consumption,²⁷ this could provide an added benefit of contributing to reduced consumption. Improving the health of the population would also increase economic growth.

To ensure a fair and equal recovery from the COVID crisis, AFS would recommend using human rights to create and scrutinise Scotland's national budget. The Scottish budget should promote, protect and fulfil our human rights, including our right to health.²⁸ We refer the Committee to the briefing papers produced by the Scottish Human Rights Consortium which set out the human rights principles and standards that should shape budget goals and processes, and provide a detailed set of practical questions and considerations to help assess budget decisions.²⁹

¹ Tod, E. et al. (2018). *Hospital admissions, deaths and overall burden of disease attributable to alcohol consumption in Scotland*. Edinburgh: NHS Health Scotland.

<http://www.scotpho.org.uk/media/1597/scotpho180201-bod-alcohol-scotland.pdf>

² York Health Economics Consortium, University of York (2010). *The Societal Cost of Alcohol Misuse in Scotland for 2007*. Edinburgh: Scottish Government Social Research.

³ Manca, F. et al. (2021). Estimating the Burden of Alcohol on Ambulance Callouts through Development and Validation of an Algorithm Using Electronic Patient Records. *International Journal of Environmental Research and Public Health*, 18(12), 6363. <https://www.mdpi.com/1660-4601/18/12/6363>

⁴ Giles, L., & Richardson, E. (2020). *Monitoring and Evaluating Scotland's Alcohol Strategy: Monitoring Report 2020*. Edinburgh: Public Health Scotland.

<http://www.healthscotland.scot/media/3103/mesas-monitoring-report-2020.pdf>

⁵ Online survey conducted by Opinium for Alcohol Focus Scotland and Alcohol Change UK between 26 June and 1 July 2020. Total sample size for Scotland was 550 adults (18+).

⁶ Public Health England (20/05/21) Wider Impacts of COVID-19 on Health (WICH) monitoring tool.

<https://analytics.phe.gov.uk/apps/covid-19-indirect-effects/> Release 33

⁷ Jackson, S. E. et al. (2020). Association of the Covid-19 lockdown with smoking, drinking, and attempts to quit in England: an analysis of 2019-2020 data. *Addiction*, <https://doi.org/10.1111/add.15295>.

⁸ Public Health England (2021). *Monitoring alcohol consumption and harm during the COVID-19 pandemic*.

London: Public Health England.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1002627/Alcohol_and_COVID_report.pdf

⁹ Jackson, S. E. et al. (2021). Moderators of changes in smoking, drinking, and quitting behaviour associated with the first Covid-19 lockdown in England. *medRxiv*.

<https://www.medrxiv.org/content/10.1101/2021.02.15.21251766v1>

- ¹⁰ Puttick, H. (23 July 2020). Lockdown anxiety has more Scottish drinkers looking for help. *The Times*. Retrieved 08/10/2020 from <https://www.thetimes.co.uk/article/lockdown-anxiety-has-more-scottish-drinkers-looking-for-help-z9cbc3w5s>
- ¹¹ E.g. calls to the We Are With You helpline rose by 200% during lockdown, with the proportion of alcohol-related calls rising from 32% to 50% during this time. We Are With You (7 May 2020). 60% of people are less likely to access health services during lockdown. *We Are With You*. Accessed 19/01/2021 from <https://www.wearewithyou.org.uk/media/press-release-archive/60-people-are-less-likely-access-health-services-during-lockdown/>
- ¹² Grace, T. (5 October 2020). Lockdown leads to harmful drinking levels amongst Dumbarton and Vale residents. *Dumbarton and Vale of Leven Reporter*. Retrieved 08/10/20 from <https://www.dumbartonreporter.co.uk/news/18771747.lockdown-leads-harmful-drinking-levels-amongst-dumbarton-vale-residents/>
- ¹³ Scottish Families Affected by Alcohol and Drugs (2020). *Lockdown and beyond: A COVID Insights report*. Glasgow: SFAD. <https://www.sfad.org.uk/content/uploads/2020/12/COVID-Insights-Report-December-2020.pdf>
- ¹⁴ World Health Organization (2018). *SAFER. A World Free from Alcohol Related Harms*. Geneva: WHO. https://www.who.int/substance_abuse/safer/msb_safer_brochure.pdf?ua=1
- ¹⁵ Public Health Scotland (2021). MESAS Monitoring Report 2020 - revised alcohol sales. Available from <https://publichealthscotland.scot/publications/using-alcohol-retail-sales-data-to-estimate-population-alcohol-consumption-in-scotland-an-update-of-previously-published-estimates>
- ¹⁶ McLean, J. & Wilson, V. (2020). *The Scottish Health Survey 2019 Edition, Volume 1, Main Report*. Edinburgh: Scottish Government.
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- ¹⁸ Scottish Government (2020). *Towards a Robust, Resilient Wellbeing Economy for Scotland: Report of the Advisory Group on Economic Recovery*. Edinburgh: Scottish Government. <https://www.gov.scot/publications/towards-robust-resilient-wellbeing-economy-scotland-report-advisory-group-economic-recovery/>
- ¹⁹ De Goeij, M. C. et al. (2015). How economic crises affect alcohol consumption and alcohol-related health problems: a realist systematic review. *Social Science & Medicine*, 131, 131-146.
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- ²¹ Oldham, M. et al. (2021). Characterising the patterns of and factors associated with increased alcohol consumption since COVID-19 in a UK sample. *Drug and alcohol review*. <https://onlinelibrary.wiley.com/doi/10.1111/dar.13256>
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- ²³ Hellowell, M., Smith, K. E., & Wright, A. (2016). Hard to avoid but difficult to sustain: Scotland's innovative health tax on large retailers selling tobacco and alcohol. *The Milbank Quarterly*, 94(4), 800-831.
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- ²⁸ Article 12 of the UN Covenant on Economic, Social and Cultural Rights is "The right to the highest attainable standard of physical and mental health"
- ²⁹ <https://www.scottishhumanrights.com/news/human-rights-budget-work-what-why-and-how/>