

MACKAY HANNAH CONFERENCE – 23 MARCH 2010

TACKLING ALCOHOL MISUSE: THE FUTURE OF LICENSING POLICY IN SCOTLAND

SPEECH BY JACKIE BAILLIE MSP

Thank you for the opportunity to set out Labour's view on the Alcohol (Scotland) Bill currently before the Scottish Parliament.

You would be forgiven for thinking the bill is solely about minimum unit pricing, after all that has been the narrow focus of the debate and the narrow focus of the press coverage. And whilst I will spend some time on minimum unit pricing, I want to roam wider than that and indeed, beyond the boundaries of the bill.

Legislative opportunities to tackle the over consumption of alcohol do not come along every day and we should seize the chance this presents to enhance the range of measures proposed by the Government.

Let me start where there is substantive agreement. There is no doubt about the scale of the problem we face.

Scotland has a higher level of alcohol consumption than the rest of the UK and a significant number of us exceed alcohol guidelines each week – that's 20% of women and 30% of men. There are an estimated 1 million hazardous drinkers and 230,000 harmful drinkers and 1,500 deaths a year that are related to alcohol. What staggered me was that this figure had more than doubled in the last 15 years. And Scots are the 8th highest consumers of alcohol in the world. So there is a cost to excessive drinking – a clear cost to the individual as the statistics demonstrate, but there is also a cost to the NHS, to our justice system, and to society more generally. We accept that radical measures are required to tackle Scotland's problem with alcohol, but it is incumbent on us to come up with measures that will be effective in creating that step change that we all want to see.

We also accept that there is a link between price and consumption, and between over consumption and harm. A 2009 study for the European Commission noted that the affordability of alcohol had increased across the majority of EU member states and so had consumption. Indeed, in Finland, when taxation of alcohol was reduced, consumption went up.

But price should not be our exclusive focus. It will take a variety of measures taken in concert that will begin to make a difference. Drinking to excess is a complex problem and requires complex and inter-linking solutions.

That said I acknowledge that the World Health Organisation matrix demonstrates that price and availability have the most impact in reducing consumption.

The building block for much of the Alcohol Bill is the Licensing Scotland Act of 2005 which only fully came into force in September 2009. I think it is widely accepted that we are not yet able to measure its impact but a number of commentators

have said that more effective enforcement of this and the '76 Act is essential. Let me give you an example; how many licensees have been prosecuted for serving drink to someone who is clearly intoxicated? I don't think you even get into double digits.

Let us remind ourselves of the objectives of the 2005 Act:

- preventing crime and disorder
- securing public safety
- preventing public nuisance
- protecting and improving public health
- and protecting children from harm,

These remain worthy objectives today and it is right that the Alcohol Bill should move these objectives forward.

Of course the 2005 Act dealt principally with the on-trade and many people will make the point that the problem rests with the off-trade. And there is no doubt that the off-trade is growing, which is not altogether surprising when you consider the price of a unit of alcohol in the off trade is 43p compared to £1.31 in the on-trade. What we witness as a consequence, is the phenomenon of pre-loading where people get drunk before they even set foot outside their front door.

I am persuaded of the on-trades call for a level playing field, but I don't agree with them on minimum pricing.

But more of that later. First let me be controversial and tell you the things I broadly agree with in the Alcohol Bill, and there is much that we can and have already welcomed.

Section 2 of the bill deals with the unit pricing, in other words where say 1 can of beer costs £1, 4 cans will cost £4 – so no price reductions for buying in quantity. We support that.

We also support extending the ban on discount drinks promotions to off-trade premises – no more BOGOF promotions or 3 bottles for £10.

I think that the mandatory age verification scheme is the right move but I want to hear the arguments about why the age should be 21 when the bulk of the industry is already at 25.

And I also want to hear the arguments about the restriction of the off-sales provision to those under 21. We opposed this when it was originally mooted as a blanket provision – it is just ever so slightly bizarre that you can get married, fight for your country and vote when you are 18 but you are not allowed to get a drink. However the proposal in its current guise is more proportionate and it may be that some Licensing Boards consider it useful measure to have. It remains the case that in some areas like Armadale where such a restriction has been used, there have been significant additional inputs from police and youth workers and it has been difficult to tell whether it's been the additional resource or the age restriction that has had the most impact. I would of course observe that given that such an approach has already been used to do we really need primary legislation to give it effect.

And finally we support the principle of a social responsibility levy but there is little detail on the face of the bill and we need to know and we need to know more before we come to a settled view.

So much we can agree on...and then there is minimum pricing.

I very much regret that virtually the entirety of the debate has become polarised on the issue of minimum unit pricing. You know there is no single measure that is a 'silver bullet' in the fight against alcohol abuse.

And what I have found interesting, in what has sometimes been a heated debate, is that when you actually spend time examining the detail of the proposal you discover that minimum pricing has been conflated with pricing more generally. So whether it was the Director of Public Health that I spent hours with, the alcohol addiction worker, or the consultants who deal daily with the effects of cirrhosis of the liver, all of them wanted action on pricing. It really ultimately didn't matter to them what the pricing mechanism was, just that the cost increased.

And each of them did not believe that supermarkets and other retailers should benefit financially. The Sheffield study estimated that £90m a year would end up in the pockets of retailers – and that's at a unit price of 40p. That's £90m not spent on alcohol treatment, education or enforcement. And when you consider that £40m a year is spent on alcohol intervention by the NHS you start to appreciate the scale of the missed opportunity.

Some will say that minimum pricing is a progressive measure. That's a complete myth. It is difficult to imagine a more regressive policy as it delivers vast extra sums into the pockets of retailers at the expense of those on the lowest incomes.

Public health experts have made clear that setting the minimum price at 40p will not have sufficient impact. The majority of them favour 60p and others 80p but we are still waiting for the Scottish Government to set the price. All their modelling is based on 40p. If we are honest then at 40p this is likely to have no impact on those who already pay more than £4 for a bottle of wine.

Let me scotch another myth. Not all people who drink to excess are poor. The Scottish Government's own figures demonstrate that excessive drinking is greater in higher income groups than lower income groups, and it is also highest in the 18-24 year old age group. And these are precisely the groups which the Sheffield study predicts that minimum pricing would have least effect on. Equally, many health professionals will acknowledge that those with severe alcohol dependency are least likely to be price sensitive.

So, in other words, the people with the worst alcohol problem – that's the high earners, the 18-24 year olds and the most dependent, will be affected *least* by minimum pricing.

You may also be presented with graphs that show higher levels of alcohol related death amongst poorer people. Scratch below the surface and you will see a significant

number are poor *because* of their alcohol abuse – they have held senior, high powered jobs, owned property, had savings in the bank – but such is the destructive power of excess alcohol that all that wealth and comfort has gone to be replaced by chaotic lives with people living at the margins.

Minimum pricing also has no effect on caffeinated alcohol – drinks like Buckfast – which are considered to fuel anti-social behaviour amongst young people, but more about that later.

The Sheffield study is interesting; it is a modelling exercise that makes certain assumptions about how minimum pricing would work. It actually models the effect of minimum pricing at 40p *combined* with the ending of discounting. It is worth noting that the ending of discounting has the same if not a greater effect on reducing consumption as minimum pricing does.

And whilst the modelling is helpful, the researches themselves say that the evidence is of poor quality. Indeed the only actual evidence of the impact of minimum unit pricing was in a small Aboriginal community on Cook Island. They have since abandoned the idea.

Even if you consider Social Reference pricing – a near cousin of minimum unit pricing, adopted by the Canadians some time ago – there is little evidence of impact. What academics have found is that whilst it created a level playing field, it actually guaranteed more profits to retailers. In some provinces, drinking had actually gone up, indeed in Canada as a whole drinking rose by 9.7% but in Scotland over a similar period consumption has fallen by 9%.

The Scottish Parliament has prided itself on evidence based policy making. The evidence to support pricing is strong but the evidence to support minimum unit pricing is weak and we are not even clear if it is competent under the terms of European law.

I won't bore you with the details, suffice to say that there are 2 tests to be satisfied – the first is whether it is considered to be an anti-competitive measure and interferes with business. Frankly I don't think this is the problem when you set this against the public health benefit. The judgement will be whether setting a minimum price on public health grounds is proportionate. The EU may take the view that taxation presents a better alternative or that the Licensing Act – implemented so recently – has yet to bed down.

I leave all of that to lawyers but I am not alone in voicing concerns. We have asked the Scottish Government to share the substance of their legal advice but they have refused to do so.

I simply observe that a recent European Court judgement on tobacco ruled that minimum pricing on cigarettes is illegal. Now I don't know about you but I had always understood that there was nothing good about tobacco, but alcohol in moderation can be beneficial. If they can't get the measure through for tobacco what chance is there for alcohol.

So for all of those reasons we are opposed to minimum unit pricing but we are in favour and recognise the need for pricing to play a part in tackling the over consumption of alcohol.

That's why we set up the Alcohol Commission, chaired by Professor Sally Brown and with individuals with expertise in health, licensing, policing and the industry.

Their remit is to consider and report on a range of measures that will help tackle the over consumption of alcohol, including examining the application and enforcement of existing legislation; new approaches to tackling alcohol abuse and associated anti-social behaviour, and advising on alternative pricing mechanisms.

They are on a tight timetable with an interim report due in April and a final report during the summer. In fact they are meeting today.

They are able to look at anything and everything, and we have already submitted almost 50 suggestions for them to consider. Here is just a flavour of that discussion.

On pricing, I believe we should end the differential duty on cider, put in place when there was a crisis in the apple industry, now long forgotten. And let's face it, some ciders don't even have a passing acquaintance with an apple.

Or what about a local sales tax, collected and retained by local government based on a national rate and hypothecated to treatment, education and enforcement.

Or as we consider what is likely to be in the budget tomorrow, how about an across the board increase in duty?

But let's not fall into the trap of looking exclusively at pricing. Brief interventions that target harmful drinkers are up to 6 times more likely to reduce the level of consumption than a 25% increase in taxation would deliver. This is also the territory we need to be in.

What alcohol education programmes are delivered in schools? My understanding is that it's less than before and its patchy across Scotland.

What about reducing the drink driving limit, which seems to have cross party and cross border support?

What about introducing Alcohol Treatment and Testing Orders?

And what about introducing a legal limit on caffeinated alcohol? Believe me there is more than just Buckfast that fall into this category – Red Square Reloaded and WKD Blue to name just two others. The police tell us that 5973 crimes were committed in Strathclyde over a 3 year period which featured Buckfast. That's 3 crimes a day. The Scottish Prison Service tell us that 40% of the young offenders in Polmont reported that they had consumed Buckfast before committing their crime.

Other countries have introduced limits, the US is considering a total ban – it is right that we should look at it too.

And what about the approach adopted by the French – zero tolerance of over consumption of alcohol. A licensee is prosecuted if they sell to someone already intoxicated; you go to jail if you drink and drive; tough measures that have reversed the trend. Consumption has fallen.

I also want today to hear about what you believe works, are there areas where we could improve to make life easier for you. There is considerable experience and expertise in this room.

Wherever you stand on the Alcohol Bill, whether you support some, all or none of it – the debate has raised awareness. That's a good thing as it's got us talking about the scale of the challenge we face.

Hopefully with your input we can move forward and change Scotland's problem with alcohol.

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