



RESPONSE TO FINANCE AND PUBLIC ADMINISTRATION COMMITTEE CALL FOR VIEWS ON PRE-BUDGET SCRUTINY

Alcohol Focus Scotland (AFS) is the national charity working to prevent and reduce alcohol harm. We aim to reduce the impact of alcohol in Scotland through the implementation of effective alcohol control policies and legislation. AFS welcomes the opportunity to respond to the Finance and Public Administration Committee's call for views on Scotland's public finances in 2023-24: the impact of the cost of living and public service reform. We have structured our responses to focus specifically on those areas which we believe are most relevant to our remit.

Q8. The Scottish Government's Resource Spending Review assumes that the current taxation policies are maintained while funding for health and social care and social security is prioritised. Are these the right priorities and approach for the Scottish Budget 2023-24 and until 2026-27?

Alcohol Focus Scotland agrees that health and social care is an important priority for the Scottish Budget 2023-24 and beyond. Alcohol causes significant health harms to the people of Scotland and costs the taxpayer billions each year. Targeted funding for health and social care services for alcohol has become even more important following the COVID-19 pandemic for the reasons outlined below.

Even before the pandemic, Scotland experienced high levels of alcohol use and harm. One in four (24% of) people exceeded the Chief Medical Officers' drinking guideline of 14 units a week,¹ with enough alcohol sold in 2019 for every adult to consume 36% more than this guideline each and every week.² These elevated levels of consumption translate to real-life health consequences. In 2019-2020, there were 35,781 alcohol-related hospital admissions in Scotland,³ and alcohol was estimated to cause the deaths of over 3,700 people each year (nearly 1 in 15 deaths in Scotland), many of these due to cancer, heart disease and stroke, and other non-communicable diseases.⁴

Alcohol use has a significant economic impact, costing Scotland an estimated £3.6 billion each year. This includes £268 million in health care costs and £230 million in social care costs.⁵ For example, recent research has found that one in six (16% of) ambulance callouts were alcohol-related, a figure which rises to more than one in four (28%) at weekend night times (6pm to 6am).⁶ This is an unacceptable and avoidable burden on our NHS.

We do not yet know the full impact of the pandemic on people's drinking habits and alcohol-related health problems. However, evidence indicates that drinking habits have polarised, with lighter drinkers having decreased and heavier drinkers having increased their consumption.^{7 8} Of major concern is the increase in high-risk and harmful drinking observed in England,^{9 10 11} which has sustained over the entirety of the pandemic.^{12 13} While equivalent research is not available for Scotland, it is likely that we will be experiencing similar increases in high-risk drinking.

The effects of the pandemic on people's drinking habits, combined with reduced access to services, due to a combination of services being closed and people being reluctant to use them, has tragically translated into increased harm. Alcohol deaths in Scotland increased by 17% in 2020 as compared to 2019, followed by a further 5% increase in 2021.¹⁴ England has seen similar increases, with a 20% rise in alcohol-specific deaths in 2020 (2021 figures are yet to be released).¹⁵ The Scottish Government rightly recognised alcohol harm as a public health emergency in last year's budget.¹⁶

However, it can take 20 years to see the full effects of changes in alcohol consumption, such as for cancers,¹⁷ which make up the majority of alcohol-related deaths in Scotland.¹⁸ Recent modelling studies conducted in England have highlighted the substantial impact that changes in drinking patterns have already had and that these impacts will continue to be felt into the future, even in the best case scenario where drinking returns to pre-pandemic levels.^{19 20} One study estimated an increase in alcohol-attributable hospital admissions of up to 7.9%, an increase in alcohol-attributable deaths of up to 20.1%, and a rise in alcohol-related costs to the NHS of up to £5.2bn over 20 years in England.²¹

Similar modelling studies should be undertaken using Scottish data, but it is reasonable to expect these impacts to be worse in Scotland due to our higher rates of alcohol consumption and harm. Modelling studies for the Scottish context should be done in conjunction with an updated economic assessment of the true societal costs of alcohol, which was last undertaken using 2007 data.

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. To realise the human right to health, increased investment in health and social care is essential.

We have recently seen a significant investment in drug treatment in response to the numbers of people who are tragically losing their lives to drugs. This needs to be matched with investment in recovery-oriented alcohol services.

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.²² 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 initially increased,^{23 24} along with relapse rates for people in recovery from alcohol dependence.^{25 26} Reports from the Scottish Alcohol Counselling Consortium (SACC) suggest an increasing complexity of alcohol problems and therefore length of time required to support people accessing their services during the pandemic. On top of this, they anticipate more people will require support, making it challenging for current resources to meet this need.

If we are to address the long-standing problems seen within the current provision of alcohol support services, it will be critical that a broad range of services and supports are available to people based on their own specific needs. This could include alcohol-specific services such as detoxification, residential rehabilitation, supported living and aftercare support, alcohol

counselling, and peer support, as well as other types of service that are not specifically alcohol-focused, such as mental health, learning disability, criminal justice, and homelessness.

However, there is a lack of current information about the needs of local communities and about the range of alcohol services available at local level that people can access to help them when they or a family member needs support.²⁷ An accurate knowledge of the totality of resources available to provide services will be essential if we are to address issues in the planning and funding of alcohol-related services. Without thorough data and information on current levels and types of provision across Scotland, there would be no baseline upon which to measure any success in improving availability and access, let alone quality. Treatment targets can only be meaningful if they are realistically set.

The last assessment of the availability, demand, and utilisation of specialist alcohol treatment services in Scotland was published in 2014.²⁸ An updated assessment is long overdue and would help identify where investment should be directed.

Q9. The Scottish Fiscal Commission (SFC) notes that Scottish income taxes have grown more slowly than the rest of the UK and is forecasting Scottish taxes to be around £360 million less in 2023-24 than they would be without income tax devolution. The SFC is also forecasting that, as a result of forecast error, the Scottish Budget in 2023-24 could be £221 million lower. How should the Scottish Government's Budget 2023-24 respond to this challenge?

As outlined in our answer to question 1, alcohol causes significant and avoidable harms to the people of Scotland and costs Scotland at least £3.6 billion each year, including £500 million in health and social care costs.²⁹ These high rates of alcohol use and harm also cause an estimated loss of £865 million to the Scottish economy's productive capacity due to presenteeism, absenteeism, unemployment, and premature alcohol-related mortality, and £727 million for alcohol-specific offences and crimes.³⁰

Alcohol Focus Scotland recognises the challenging financial environment which Scotland is facing, particularly as we recover from the pandemic. We believe 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. An alcohol harm prevention levy could be applied to retailers licensed to sell alcohol via a supplement on non-domestic business rates. The funds raised would help offset the significant costs to the public sector of dealing with the consequences of alcohol harm.

A similar approach was previously employed by the Scottish Government between 21 April 2012 and 31 March 2015 "to address the health and social problems associated with alcohol and tobacco use" and to generate income for preventive-spending measures.³¹ The Public Health Supplement was successful in raising significant revenue of £95.9m over its 3-year duration. It was applied to retailers licensed to sell both alcohol and 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.

An alcohol harm prevention levy would create the means to claim the increased revenue that off-trade alcohol retailers have likely experienced following the implementation of minimum unit pricing (MUP) in 2018³² and on-trade COVID-19 restrictions.³³ It was estimated that a 50p minimum unit price would result in increased revenue to the alcohol industry, specifically to

retailers (off-trade), of around £40m a year.³⁴ Off-trade sales in Scotland increased by 13% in 2020 and 15% in 2021 (January to May), compared with the average for 2017–19.³⁵

In addition to using the levy to invest in services and support, the Scottish Government should focus on implementing policies to reduce alcohol harms and subsequently lower the cost of alcohol harms. There is strong international evidence that the most effective and cost-effective ways of preventing alcohol harms are increasing the price of alcohol, reducing its availability, and controlling how it is marketed; these are the World Health Organization's three 'best buy' policies.^{36 37} These policies cost little, if anything, to implement. Alcohol Focus Scotland is calling for the minimum unit price of alcohol to be uprated to at least 65p per unit and an automatic uprating mechanism to be embedded in legislation; comprehensive restrictions to alcohol marketing; and a strategic approach to controlling alcohol availability.³⁸

Q15. How has the Scottish Government reflected its commitment to fiscal transparency in the Spending Review and how can it best ensure that spending in the Budget 2023-24 can be properly identified and tracked?

Fiscal transparency is an important way for the Government to maintain credibility with Scotland's people. AFS welcomes the Resource Spending Review's commitment to further transparency through the Open Government Action Plan.

It is unclear where the Scottish Budget 2022-23 investment of "£147.6 million to address the twin public health emergencies of drugs deaths and the harms from alcohol"³⁹ was used, and how much was specifically used for alcohol. Although the Scottish Budget 2022-23 breaks down spending on four different levels, one cannot easily (if at all) track the investment in preventing and reducing alcohol harm.⁴⁰ Without knowing how much money was spent and where it was spent, it is difficult to say where further investment is needed and whether investment is resulting in returns for the people of Scotland. As per Audit Scotland: "Spending remains difficult to track, including how money is distributed and what it is achieving."⁴¹

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