The Committee will meet at 9.30 am in Committee Room 2 to consider the following agenda items:

1. **Scottish Parliament Holyrood Building**: The Committee will consider correspondence from the Presiding Officer and take evidence from—
   Paul Grice, Clerk and Chief Executive; Paul Curran, Project Head, Holyrood Project Team; and Dave Ferguson, Holyrood Project Adviser, Scottish Parliament; Robert Brown, MSP, Member, Scottish Parliamentary Corporate Body.

2. **Smoking, Health and Social Care (Scotland) Bill**: The Committee will take evidence on the Financial Memorandum from—
   
   **Panel 1**
   Sarah Davidson, Head of Tobacco Control Division, David Palmer, Team Leader, Legislation Implementation Team and Calum Scott, Economic Adviser, Analytical Services, Scottish Executive Health Department

   **Panel 2**
   Roderick Duncan, Bill Team Leader, Tobacco Control Division, Dr Hamish Wilson, Head of Primary Care Division, Eric Gray, Primary Care Division, Team Leader, Dental and Ophthalmic Services and Chris Naldrett, Primary Care Division, Team Leader, Pharmacy Issues Team, Scottish Executive Health Department.

3. **Relocation of Public Sector Jobs**: The Committee will consider issues for inclusion in its response to the Executive on *The Relocation Guide*.

4. **Cross-cutting review on Economic Development (in private)**: The Committee will consider a draft report on its cross-cutting review on economic development.
The papers for this meeting are:

**Agenda Item 1**

Correspondence from the Presiding Officer, dated 24 February 2005

**Agenda Item 2**

Written submissions on the Smoking, Health and Social Care (Scotland) Bill from ASH Scotland and Health Scotland

Smoking, Health and Social Care (Scotland) Bill and associated documents available online (previously circulated to members):

- Smoking Health and Social Care (Scotland) Bill

PRIVATE PAPER

**Agenda Item 4**

PRIVATE PAPER – to follow
Dear Des

HOLYROOD REPORT, FEBRUARY 2005

This is my thirteenth report on the Holyrood building, providing the Finance Committee with the latest information on the Project cost and programme. This is the third report since the Parliament's migration to the new building took place and deals with progress since the previous report on 25 November 2005.

Key points this month:

1. There is no change to the overall cost reported in November. This remains at £430.5m.

2. Since the November report, just over £0.5m has moved from the construction reserve into the construction commitment, almost entirely for the Assembly Windows package. In addition, £1.2m net has moved from the unallocated contingency into the landscaping reserve to allow £1.85m to move from landscaping reserve to the landscaping commitment for both the hard and soft landscaping packages. The totals are given at Annex A.

3. I am pleased to confirm that the works to rectify the defective windows I reported in November were completed on programme at the end of January. As previously advised all costs associated with this defect will be paid for by the Trade Contractor.

Snagging

Bovis continue to programme works to close out the remainder of snagging required at Holyrood. A substantial proportion of these snagging works have
been completed and good progress has been made. Works continue to be undertaken outwith Parliamentary business hours.

**Landscaping**

The high winds experienced throughout January have hampered the completion of the landscape tails. Additional works have been instructed to provide additional supports to the trees to ensure that they are given the best chance possible to take root.

**Final accounts**

Since my report in November there has been one formal final account sign off for the Excavation West package which was agreed at 5% below the Cost Plan allowance. I am advised by Davis Langdon that a significant number of packages have been agreed and are being put in the correct format for formal presentation to the HPT for sign off.

**SPCB Response to Lord Fraser’s Inquiry**

In response to the Parliamentary resolution of 22 September 2004, the SPCB has considered the report of Lord Fraser’s Inquiry into the Holyrood Building Project in the light of comments made in the debate on that date.

The SPCB recognises that the main findings of Lord Fraser relate to the period before it assumed responsibility for the project and that the bulk of the recommendations address the control of major construction projects. It is highly unlikely that the SPCB will ever be involved in such projects again but it nevertheless undertakes to apply the principles of Lord Fraser’s recommendations to its procurement activity as appropriate. For instance, the Procurement office is currently reviewing its procedures, in the light of Lord Fraser’s report, in the context of project planning to ensure that they continue to reflect best practice.

The only recommendation which the SPCB needs to address directly is that consideration should be given to seeking an amendment of the Scotland Act 1998 to provide the SPCB with wider powers of delegation. It is not foreseeable that SPCB would ever be responsible for another project of this magnitude and significance and it is accordingly unlikely that wider powers would be needed in this respect. SPCB may, at some time in the future, wish to establish sub-committees to consider specific issues but it is unlikely that they would wish them to act other than in an advisory capacity (e.g. the Post Completion Advisory Group), in which case, existing powers of delegation would suffice.

The SPCB recognises the context from which Lord Fraser’s recommendation arises but nevertheless considers that the extension of powers as recommended by Lord Fraser is not necessary.
As regards the final paragraph of Recommendation 10, RMJM’s offer of a guarantee has been agreed in principle and negotiations are currently under way to define the relevant issues.

Yours sincerely

GEORGE REID
Encl: financial summary annex.
### MAIN PROJECT

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### LANDSCAPING

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### SUBTOTAL

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<td>Programme contingency (incl. VAT)</td>
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### Risk drawn down from 'Construction Reserve':

- **Assembly Windows**: 500,000
- **Canopies**: 22,400
- **Net Total**: 522,400
- **VAT**: 91,420
- **Total**: 613,820

### Risk drawn down from landscaping Reserve

- **Hard Landscaping**: 1,500,000
- **Soft Landscaping**: 350,000
- **Net Total**: 1,850,000
- **VAT**: 323,750
- **Total**: 2,173,750

### Movement from Contingency to Landscaping Reserve

- **Hard Landscaping**: 1,000,000
- **Soft Landscaping**: 201,000
- **Net Total**: 1,201,000
- **VAT**: 210,175
- **Total**: 1,411,175
Finance Committee

7th Meeting 2005, 1 March 2005

Smoking, Health and Social Care (Scotland) Bill

The following additional submissions have been received for the Smoking, Health and Social Care (Scotland) Bill:

- Ash Scotland
- Health Scotland

Susan Duffy
Clerk to the Committee
Written Submission to Finance Committee from ASH Scotland

Name: Maureen Moore, Chief Executive, ASH Scotland

Address: ASH Scotland, 8 Frederick Street, Edinburgh EH2 2HB

Part of Bill: Part 1

Main Objective: Prohibiting Smoking in Enclosed Public Places

International Evidence: Economic Impacts of Smoke-Free Legislation

The Scottish Licensed Trade Association (SLTA) has recently claimed that there are few examples of extensive smoke-free legislation in place from which to draw conclusions regarding the possible economic impact of introducing smoke-free legislation in Scotland. However, there is a wealth of international evidence to demonstrate that smoke-free enclosed public places don't have a negative impact on business.

a) Republic of Ireland

The Licensed Vintners Association (LVA) recently published research concluding that the economic impact of smoke-free legislation is unfavourable for the licensed trade in the Republic of Ireland. However, the LVA’s study was based on subjective interviews with over 270 publicans around Dublin. They were asked to describe how they viewed the impact of legislation, to estimate the effects the legislation has had, and to predict the economic future of their business. This material is entirely unreliable as a proper economic assessment as it is not based on hard financial or economic data.

It is interesting to note that the publicans’ estimates of their sales figures are significantly different to the hard data available, such as the drink sale figures produced by the Central Statistics Office (CSO) as well as the drinks manufacturers themselves. According to the latest figures from the CSO, bar sales are reported to have picked up sharply, with sales figures rising by 2.3% between September and November 2004. This rise marks a turnaround after two months of declining volumes. Whilst bar sales continued to be down on 2003, falling by around 5.1%, this is dramatically less than the 29% fall in volumes claimed by the LVA, whose figures do not take account of seasonal changes to drinking purchases.

Smoke-free legislation in the Republic of Ireland was introduced in what was already a shrinking bar sales market. Sales reportedly hit their peak in May 2001, and since then, the volume of drink sold in Irish bars has fallen by approximately 15%. Many factors have contributed to this climate, including changing demographics, the price of drink, increased price competition from supermarkets and off-licences, increased excise duty on alcohol, and changing working patterns and lifestyles. Yet the LVA report attributes all of the alleged downturn in the trade to smoke-free legislation. This is simply not credible, and claims to this effect don’t stand up to scrutiny.
The LVA has also claimed that the introduction of smoke-free legislation in the Republic of Ireland has led directly to the loss of 2,000 jobs in Dublin. However, these figures are dubious, as they too are based on subjective interviews with bar managers or owners and not on objective economic information. Mandate Trade Union, the third largest union in the Republic of Ireland, represents almost two thousand bar workers, mainly based in Dublin. The union’s records indicate that job losses in the greater Dublin area have been in the order of a couple of hundred, not the thousands claimed. Levels of visits to pubs and restaurants are thought to have remained constant since legislation was introduced, with 1 in 5 smokers choosing not to smoke at all when out socialising. The rate of smokers visiting pubs has remained steady at 74%, and the frequency of non-smokers visiting pubs has increased from 67% to 70%.

b) United States of America
A recent report on the first 12 months since the smoke-free legislation in New York was introduced has documented clear financial benefits to comprehensive legislation; 10,000 new jobs have been created (2,800 seasonally adjusted jobs), air pollution levels have reduced six fold, and business tax receipts in restaurants and bars are up 8.7%.

Many hospitality groups have claimed that their business has been detrimentally affected by smoke-free legislation. For example, in Beverly Hills, California, the Restaurant Association said that their businesses had suffered a 30% decline in revenues during the five months after smoke-free regulations were in effect. As a direct result of such opposition, organised by the tobacco industry, Beverly Hills repealed their smoke-free restaurant ordinance. Studies have since shown that, contrary to tobacco industry claims, there was no detectable drop in restaurant sales during the time the ordinances were in effect, nor was the an increase in restaurant sales following reversal of the 100% smoke-free ordinances. In fact, sales increased slightly during the period the smoke-free regulations were first in place.

Whilst hospitality groups often claim that smokers will stop visiting pubs and restaurants, hence projected loss in trade, international data in fact shows that once-lost custom from nonsmokers starts to return. For example, it has been reported that, in the State of Massachusetts, there are more non-smokers who avoided smoky restaurants and bars pre-legislation than there were smokers in the State.

c) Australia
A recent study has assessed the economic impact of introducing smoke-free policies in Tasmania on sales in bars, licensed clubs, restaurants and cafes. Using seasonally adjusted monthly sales data from January 1990 to September 2002, and statistically controlling for underlying economic trends, unemployment, and population changes, the study concludes that smoke-free legislation has not had any negative impact on sales turnover in restaurants, cafes and pubs, when compared to total monthly retail turnover in Tasmania.

Estimated economic impact of smoke-free legislation in Scotland
A recently published international review models the likely impacts of moving from the current voluntary code to comprehensive legislation on smoking in
enclosed public places in Scotland. Modelling procedures utilise existing evidence on the economic impacts that have been measured in other countries with comprehensive smoke-free legislation. The report concludes that conservative estimates of savings in the workplace exceed the ‘worst case scenarios’ for losses in the hospitality industry. The effect on the hotel, restaurant and bar sectors in Scotland is centrally estimated at +£110 million (range –£63 million to +£281 million). The study also suggests that the most sizeable economic impact is a net gain for society in resource terms, which are centrally estimated at £115 million five years post legislation.xii

The SLTA have criticised this international review, claiming that there is not enough relevant research on which to base estimates of potential economic impact in Scotland.xiii However, despite this claim, they have commissioned research that suggests “the capital cost of compliance with the Bill will be in the region of £85 million. The research also suggests that “costs may be well in excess of that, depending on the views of the local regulatory authorities on matters such as the provision of fire escapes and facilities for the disabled”.xv These estimates were calculated on the basis of information that is available from Ireland, which the SLTA claims concludes that turnover in Ireland is down by more than 7% in value and 10% in volume, and that the number of jobs has reduced by 6%.xv However, as already outlined on page 1, the latest hard data available suggests an increase in sales figures of around 2.3%.xvi The shrinking bar sales market that was previously reported had been in decline since May 2001xvii, and the alleged downturn in trade cannot be attributed solely to the introduction of smoke-free legislation.

The SLTA have reported that smoke-free legislation will force more than 140 pubs to close, and lead to the loss of 2,300 jobs, and £59 million in tax revenue in Scotland.xvi The level of turnover in Scotland should be borne in mind when interpreting any future claims of economic loss; there are around 5,000 openings and closures of businesses over a 3-year period, without attributable effects to policy changes.xvii

Predictions of a downturn in business are encountered in every country where legislation has been, or is currently being, introduced. However, smoke-free legislation has been passed in every conceivable type of community, from small towns and rural areas to a number of states, and economists have studied the impacts on communities across the spectrum. Anecdotal reports, polls or interviews with business owners concerning economic impacts of smoke-free legislation should be treated with great scepticism. No objective, peer reviewed study ever conducted has found a significant negative economic impact associated with smoke-free legislation.xviii Recent research has compared the quality and funding sources of 97 studies concluding either a negative effect, no effect, or positive effect of smoke-free legislation on the hospitality industry. The best designed most rigorous studies consistently report no impact or a positive impact of smoke-free restaurant and bar laws on sales and employment. It is noteworthy that all the studies concluding a negative impact have been funded by the tobacco industry.xviii

Recently discovered tobacco industry documents demonstrate that second-hand smoke may be even more harmful, volume for volume, than directly inhaled cigarette smoke.xix Yet the tobacco industry continues to place the highest priority on preventing the introduction of restrictions on smoking in
public places, and remain equally active in spreading misinformation about the effects of legislation that has already been introduced successfully in other countries.

**The Scottish Licensed Trade - Proposed Legislation**

The licensed trade umbrella group, Against an Outright Ban (AOB) represents the SLTA, the Scottish Beer and Pub Association, and other pub groups based in Scotland. In May 2004 they outlined proposals for implementation of a 5-point plan, across a 3-year period, as an alternative to the comprehensive legislation that the First Minister outlined in November 2004. The SLTA’s Chief Executive, Paul Waterson, believes that the 5-point plan would provide a “major contribution to improve health prospects in Scotland”.\(^{xx}\) This alternative approach proposes that:

1. Smoking be banned at the bar counter in all licensed premises.
2. Smoking be banned in any area where and when hot food is served.
3. Smoking be banned in any area from which the public is excluded.
4. Licensed premises must allocate
   a. 30% of total floor space to a non-smoking area in year one
   b. 40% in year two, and
   c. 50% in year three. This would be followed by a further review
5. Licensed premises must display a smoking policy at the entrance in order that customers can see the facilities available before they enter.

The option of postponing introduction of new law provides the hospitality trade and tobacco industry with increased time to step up attempts to scupper the introduction of legislation. The tobacco industry and their allies use this in every battle they have fought to try and prevent the introduction of smoke-free legislation.\(^{xxi}\)

Adopting the proposed 5-point plan would ensure that Scotland’s legislation was aligned to the policies adopted in the rest of the UK, which the SLTA believes is of extreme importance.\(^{13}\) However, the 5-point plan, like the current Voluntary Charter, would fail to deliver significant protection to hospitality workers in Scotland. Even where designated smoking areas are provided under the current Charter, they often continue to expose people in the vicinity to second-hand smoke, and they increase the exposure to smoke by concentrating smokers in the one place. **Neither the current Voluntary Charter, or the proposed five-point plan are based on evidence on how to protect health, either for staff in the leisure industry, or for the public who use these facilities.** Voluntary agreements do not provide significantly increased protection from second-hand smoke.\(^{xxii}\) \(^{xxiii}\)

**The Impact of Smoke-free Legislation on Tourism**

The SLTA suggest that there is a “strong possibility of tourists preferring English destinations rather than Scottish ones as a result of different tobacco policies”.\(^{13}\) Their concerns are contrary to the evidence available from the Republic of Ireland, where 2004 saw a reported record numbers of visitors and double the growth rate of revenue compared to Northern Ireland, where smoking is still unrestricted.\(^{xxiv}\) Surveys of tourists in Ireland demonstrate that availability of smoking areas is not a factor for most people when choosing holiday destinations. However, when smoking is an
issue, it is because people want smoke-free holiday destinations. Glantz and Charlesworth (1999) identified 3 US states and 6 US cities in which opponents of smoke-free legislation specifically advanced claims that such laws would adversely affect tourism. Contrary to industry claims, the introduction of smoke-free legislation was not associated with significant drops in tourism in any of the locales outlined, and in several cases significant increases in tourism were observed as a result of smoke-free legislation being introduced.

The Health Benefits of Comprehensive Smoke-Free Legislation
The SLTA believe that a phased approach to legislation may well achieve improved health results compared to the option of introducing the proposed Smoking, Health and Social Care Bill in Scotland. However, the health benefits of comprehensive smoke-free legislation are tangible and evident in a short space of time when introduced, as outlined below.

A recent review of smoke-free workplaces in the USA, Australia and Canada estimated that comprehensive smoke-free legislation reduces smoking prevalence by 4%, and overall tobacco consumption by 30%. In the six months after legislation was introduced in the Republic of Ireland, an estimated 7000 smokers had given up smoking. These figures have not been matched in the North, where smoking rates remain static. A modest reduction in active smoking rates would have major benefits in terms of reducing numbers of deaths among the Scottish population generally.

The hospitality and tobacco industry continue to voice concerns regarding a ‘dramatic escalation a possible rise in smoking in the home’ as an immediate consequence of the introduction of smoke-free enclosed public places. The SLTA have recently suggested that approximately six-sevenths of health problems encountered by ETS are derived from domestic situations. However, evidence from countries such as the USA, Canada and Australia suggests that the introduction of legislation for smoke-free workplaces and enclosed public places may have the effect of enhancing protection from SHS in the home. For example, in Australia, the introduction of legislation for smoke-free workplaces during the 1990’s was accompanied by a steep increase in the proportion of adults who avoided exposing children to tobacco smoke at home. Among households with children, the proportion with smoking restrictions increased overall from 25% in 1989 to 59% in 1997. More specifically, in households where one adult smoked, the proportion with smoking restrictions increased from 17% to 53%, and in households where both adults smoked, the proportion with smoking restrictions increased from 2% to 32%. Smoke-free legislation will clearly support current smokers attempting to quit, and denormalise smoking in society, so that future generations do not get addicted to smoking.

Hospitality Industry Representatives and the Tobacco Industry
The SLTA claim that the licensed trade has always been, and will always remain, supportive of the ultimate objective of a smoke-free Scotland. They stress that they are committed to working with the Government to improve Scotland’s health, and that they understand fully the benefits of a reduction in tobacco consumption.

Whilst there are many reputable experts with years of experience working in the field of second-hand smoke, the SLTA chose to invite a scientist from...
Imperial Tobacco Limited to speak about the health hazards of second-hand smoke at their recent seminar on smoking in enclosed public places. Imperial Tobacco still deny the link between cancer and cigarettes, and unsurprisingly, numerous attempts were made at this seminar to undermine the vast body of established research outlining the health risks associated with exposure to second-hand smoke.

The SLTA have also widely publicised and quoted results of a recent study that claims to investigate the real effectiveness of ventilation in pubs. The study concludes that simple, low-cost ventilation systems provide an adequate means of reducing the health risks associated with second-hand smoke by significantly improving air quality. This study, although widely publicised and quoted by the Licensed Trade, has not yet been published, and is currently being peer reviewed. Funding for this research was coordinated by Atmosphere Improves Results (AIR) from the SLTA. It is common knowledge that AIR is a tobacco industry funded organisation. There is a substantial body of published work on ventilation, carried out independently of the hospitality and tobacco industry, which shows how second-hand smoke cannot be effectively removed from the air. It is also widely accepted that there are no known safe limits for second-hand smoke exposure.

The SLTA are one of the key partners in the Against an Outright Ban (AOB) Group, which represents a consortium of organisations and individuals in the Scottish licensed trade. Their choice of ‘experts’ when engaging in scientific debate, their attempts to criticise the science on second-hand smoke, cast doubt on whether second-hand smoke harms people, and prolong the controversy about the health effects of second-hand smoke, are tactics that are entirely consistent with those used by the tobacco industry to combat smoke-free laws around the world. The SLTA stress that they are committed to working with the Government to improve Scotland’s health, and that they understand fully the benefits of a reduction in tobacco consumption. However, they continue to attempt to fight second-hand smoke issues, and obstruct the introduction of smoke-free legislation in Scotland.

It has been estimated that second-hand smoke (SHS) kills up to 1,000 people every year in the UK; with some studies suggesting the figure is even higher than this. Legislation on smoke-free enclosed public places will not harm the economy, and will improve Scotland's appalling rates of cancer, heart and lung disease, by cutting smoking rates, helping workers and customers to quit and by reducing people's exposure to unwanted smoke. Introduction of the new legislation for smoke-free enclosed public places in Scotland is the next and most important measure that can be taken to improve the health of Scotland’s people.

References

2 ‘Retail sales rise of 2.8% marks turnaround – CSO.’ Press article in the Irish Times, 22nd January 2005.


The 30 Percent Myth,” sidebar to the article “Public Interest Pretenders: That group with the do-good name may not be what it seems, Consumer Reports (1994), 59, 316-320.


SLTA submission to the Finance Committee of the Scottish Parliament, F1/S2/05/5/1, 08/02/2005.

SLTA response to Stewart Maxwell Bill, page 3, para. 1


‘Smoking ban will cost 2,300 jobs and 140 pubs, report claims.’ Press article in the Scotsman, 05 February 2005, available online at: http://news.scotsman.com/scotland.cfm?id=141022005 (Accessed 08/02/05)


Faiïte Ireland news release, 10/01/05: http://www.failteireland.ie/?id=9&MediaID=82


The Tobacco Manufacturer’s Association funding of AIR and Dr Geen’s consultancy are documented at http://www.airinitiative.com/press.asp?id=109


Dearlove JV, Bialous SA and Glantz SA. Tobacco industry manipulation of the hospitality industry to maintain smoking in public places. Tobacco Control, 2002, 11(2), 94-104


SUBMISSION FROM HEALTH SCOTLAND

RESPONSE TO SLTA EVIDENCE ON SMOKING IN PUBLIC PLACES

Introduction

In April 2004 Health Scotland commissioned Anne Ludbrook (Health Economic Research Unit) and colleagues from the University of Aberdeen to conduct a study of the health and economic impact of the regulation of smoking in public places. The researchers were advised by a reference group that included experts in the field of epidemiology, respiratory medicine, health economics and tobacco control. The draft report was sent for peer review to four referees with international reputations in the fields of tobacco epidemiology, health economics and tobacco control. Reviewers commented on the high quality and robustness of the research and agreed with the overall conclusions. Indeed a consistent view was expressed that the overall estimates of the health and economic benefits were, if anything, rather conservative.

In their evidence the SLTA were critical of the research. The remainder of this submission is the response of the principal researcher Anne Ludbrook and the research commissioner from Health Scotland, Sally Haw to the issues raised by the SLTA.

Comments

These next comments relate to the first two points in the evidence submitted by the SLTA.

(a) Completeness, relevance and timescale of the ‘Financial Impact Study’.

The SLTA claim that the research was incomplete but fail to identify any studies that the evidence review missed.

All of the evidence reviewed related to the health and economic impacts of the regulation of smoking in public places and was entirely relevant. It is true that there was little evidence relating to impact on bars and this is made clear in the report. We excluded evidence from New York relating to the one year follow up of the comprehensive ban on smoking because it was not published in a peer reviewed source. However, it should be noted that this report showed a positive impact on bars and restaurants but did not show results for the sectors separately. As with all aspects of the research, the authors have been careful not to overstate the case for regulation.

Based on their own research report, the SLTA state that the International Review did not identify evidence that a ban would reduce the number of
smokers because the smoking may be displaced elsewhere. However, the review cites specific evidence that both smoking prevalence (number of smokers) and cigarette consumption by continuing smokers are reduced by restrictions and bans and that bans have greater effect than lesser restrictions (such as segregation). Again, this evidence was interpreted cautiously in terms of modelling the results for Scotland.

There is a difference between conducting research efficiently to a short timescale and rushing the research. No evidence is put forward to identify any aspects of the report that were not conducted properly.

(b) CEBR estimates of likely financial impact.

We have not as yet had the opportunity to attempt to replicate the CEBR analysis. However, our examination of the data indicates a number of concerns. The CEBR researchers do not justify the starting date of 1996 and there is no obvious reason to include 8 years data prior to the ban. This start date introduces problems of re-indexing the published data (not discussed by the CEBR researchers). It also takes in a period of growth in the value of the bar sector, relative to the whole retail sector, in the early part of the period, whereas the performance of the bar sector relative to the retail sector has been in decline in the more recent period. This pattern of increase and decline introduces structural problems in the analysis.

Furthermore, the CEBR model does not take into account the impacts of other relevant changes on the bar sector. In particular, restrictions on children being in bars after 9 pm were introduced from September 2003. It is reasonable to hypothesise that these restrictions would have most impact on holiday and tourist business (as this would be the main time at which families might wish to be out together in licensed premises). In this case, there might be an effect in the summer months of 2004, which would confound the analysis of the smoking ban.

The CEBR researchers indicate that the accuracy and reliability of their results are supported by observation of monthly trends. However, extrapolating the seasonally adjusted trend from 2000 (which we believe is a more reasonable starting point) and comparing this with observed monthly data gives a reduction in ratio of the sales value index for bars to the sales value index for all retail business (excluding the motor trade) of 4.4% (rather than 7.3%) and for the ratio of the volume indices of 2.4% (rather than 10.7%). This is without taking into account any possible effect of the restriction on children after 9pm.

Points (c) – (f) are not related to the evidence review.

Comments relating to the Moffat Research Centre Report

Chapter 9 – Review of Aberdeen University Study.
1. The first paragraph states that the Aberdeen study defines its geographic scope by selecting and reviewing studies from other countries. This is incorrect. We reviewed all the studies that met the quality criteria and these happened to be from other countries. We have not excluded evidence from the UK, as this opening paragraph might imply, and the Moffat report does not offer any evidence that has been missed.

2. The Aberdeen study reviewed all of the evidence from all of the sectors. Only one study related to smoking restrictions affecting bars but this reflects the available evidence. We excluded the one-year report from New York City, which has introduced a comprehensive smoking ban, because the report was not a peer reviewed publication. The reported experience in New York of the Smoke Free Air Act was an increase in tax receipts from bars and restaurants but this was not broken down between the two sectors.

3. The Moffat report attempts to argue that because areas where restrictions have increased incrementally have reported no significant effect on business, an outright ban in bars where smoking restrictions have previously been very limited will necessarily have a more adverse effect. This is a logical fallacy and is not supported by any evidence. Most studies have found no significant effect when restrictions are first introduced. Also, the study cited relates to restaurant restrictions, and the author(s) of the Moffat report maintain a position that evidence relating to restaurants and hotels is not relevant to bars.

4. The comments under 9.3 relating to the study by Glantz and Smith 1997 are erroneous. Although this study was undertaken before a State wide ban on smoking in bars took effect in California, the data in this study were taken from 5 cities and 2 counties which had already enacted bans on smoking in bars.

5. The author(s) of the Moffat report then totally misinterpret the use of the term ‘subjective’ in the Aberdeen University report, despite a clear distinction having been made. Subjective is used to describe the type of information contained in certain reports and papers; i.e. opinion survey results. This is in comparison to objective data, such as sales tax receipts. At no time does the Aberdeen University report refer to self-interest or bias. An overview of the subjective research findings is provided in the Aberdeen University report.

6. The author(s) of the Moffat report assert that there are two weaknesses in the Aberdeen University report relating to a lack of evidence on:
   - reduction in smoking following a ban rather than a displacement of smoking from the workplace; and
   - the impact of a no smoking policy on the hospitality sector, particularly bars.
In relation to the first point, the author(s) have either not read, or not understood, the section of the Aberdeen University report relating to changes in smoking behaviour. This provides a clear overview of evidence of a reduction in smoking prevalence (number of smokers) and a reduction in total number of cigarettes smoked by continuing smokers. The only reservations expressed in the Aberdeen University report related to estimating the precise size of the effect, not its direction, and a cautious interpretation was employed in modelling the results for Scotland.

Regarding the second point, the main argument resorted to by the Moffat report is an attack on the background of the authors of two studies cited in the Aberdeen University report (one of which is referred to by the wrong date and was not included in the evidence review). The study that was used in the review, Glantz and Smith 1997, was published in a leading medical journal and subject to rigorous scientific review. These are appropriate considerations in a serious review of evidence; personal attacks on the authors are not. The Moffat report author(s) neglect to comment on the authors of nine other studies cited in the review, all reporting similar findings, one of which was published in a hospitality sector journal (Cornell Hotel and Restaurant Administration Quarterly). As no ‘economists familiar with the hospitality and tourism industry’ appear to have published any analysis of objective data in peer reviewed publications, it is unclear what additional evidence such individuals could bring to the study.

The remainder of this section of the Moffat report largely consists of repeating the caveats included in the Aberdeen University report. We had considered all the potential weaknesses of both the health and economic impact evidence and drew very careful conclusions taking these into account. The author(s) then indicate that the level of analysis of economic impacts has to be similar to that given to the health argument. However, it is almost impossible to replicate the kind of study designs available in medical research. We recommended that research should be undertaken at the level of individual businesses using objective data, such as tax information, although this could be difficult to achieve for reasons of confidentiality relating to such data.

Chapter 10  The counter argument

This chapter provides no new evidence and repeats the argument that there is no reliable evidence for reduction in active smoking despite the evidence put forward in the Aberdeen University report.

Anne Ludbrook
University of Aberdeen

Sally Haw
NHS Health Scotland

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