Finance and Public Administration Committee
9th Meeting 2025, Session 6
Tuesday 11 March 2025

Right to Addiction Recovery (Scotland) Bill – Financial Memorandum

Purpose

1. The Committee is invited to take evidence in relation to the Financial Memorandum (FM) for the Right to Addiction Recovery (Scotland) Bill, from the Member in charge of the Bill, Douglas Ross MSP, and Scottish Parliament official, Neil Stewart, Senior Clerk, Non-Government Bills Unit.

2. This evidence session will provide an opportunity to review the potential costs associated with the measures introduced by the Bill, as set out in the FM, and to explore the issues raised by stakeholders in written evidence to the Committee.

Background

3. The Right to Addiction Recovery (Scotland) Bill is a Member's Bill introduced by Douglas Ross MSP on 14 May 2024. The Bill establishes a right in law to treatment for addiction for anyone in Scotland who is addicted to alcohol and/or drugs.

4. The Policy Memorandum explains that—

> "The Bill will give people diagnosed as having an addiction to alcohol and/or drugs access to the treatment that is most appropriate for them, and enable them to be informed and supported and involved in the decision making process. This is intended to ensure that, where someone has been diagnosed with an addiction to alcohol and/or drugs: the individual seeking support is informed of the potential treatments that are available to them and then can express a view on why one or more of them might be suitable for them; the specific circumstances of the individual are taken into account by the health professional in considering suitable options for treatment for the individual; and where the individual does not receive a referral for the treatment they have requested, or any treatment at all, they must be provided with a written explanation and have the right to a second opinion."

5. The Bill also establishes a timescale to begin treatment of, at most, three weeks after being prescribed it but earlier if practicable. The Policy Memorandum acknowledges that "in some areas being able to provide every person diagnosed with treatment as soon as is practicable and within, at most, three weeks will be extremely challenging to deliver given the availability of some treatments versus the level of need. On that basis [the Member] appreciates that implementation of the policy set out in the Bill will require increased levels of service provision for numerous forms of treatment service."

6. The Bill places a duty on the Scottish Ministers to secure the delivery of the rights conferred by the Bill and creates a reporting mechanism which aims to ensure the collection of data about patient experience.

7. As explained in the Policy Memorandum "The Member believes that the implementation of the terms of the Bill would lead to some individuals who may not feel able to engage with treatment processes at present to seek help. Ensuring any untapped need is provided for, and those individuals receive appropriate treatment, is a key step in providing the transformative change the Member envisages through the implementation of this Bill."

8. The Health, Social Care and Sport (HSCS) Committee is the lead committee for Stage 1 consideration of the Bill. The HSCS Committee ran a call for views on the provisions in the Bill, which received 127 responses, available on the Citizen Space platform.

9. A SPICe briefing on the Bill has also been published and is available on the Scottish Parliament's website.

Financial Memorandum

10. Rule 9.3 of Standing Orders states in relation to Financial Memorandums that—

> "2.A Bill must on introduction be accompanied by a Financial Memorandum which sets out best estimates of the costs, savings, and changes to revenues to which the provisions of the Bill would give rise, and an indication of the margins of uncertainty in such estimates. The Financial Memorandum must also include best estimates of the timescales over which such costs, savings, and changes to revenues would be expected to arise. The Financial Memorandum must distinguish separately such costs, savings, and changes to revenues that would fall upon—
>
> - the Scottish Administration;
> - local authorities; and
> - other bodies, individuals and businesses.

11. The Financial Memorandum (FM) for the Bill notes that "mapping existing costs and funding arrangements for alcohol and drug treatment is challenging, this is in part due to the number of different policy initiatives and associated funding streams. It is also challenging to track the number of people diagnosed each year with an addiction to drugs and/or alcohol through to the types of treatment they do, or do not, go on to receive."

12. It further highlights a lack of data on the weekly average cost of rehabilitation beds broken down by third sector, health board direct provision and private sector, and lack of information on the waiting times for residential rehabilitation for each individual waiting more than three weeks. In addition, "notable variations in the length of placements based on the individual's needs and also the type of provider makes it challenging to assess the increase in cost under the Bill

specifically in relation to an anticipated need for an increase in residential rehabilitation beds."

13. The FM uses data from Public Health Scotland (PHS), which shows that currently 69% of referrals for treatments result in treatment being completed (to at least some extent) and 31% of referrals are discharged before treatment commences. Of the 31% of referrals discharged without treatment, 79.3% do not commence treatment for reasons relating to engagement from the individual or withdrawal of the treatment or service for any reason. This equates to 24.6% of all treatment referrals.

14. The FM assumes that under the Bill's provisions "between half and two thirds of the treatments that are currently discharged before they begin will be commenced and, it is hoped, completed. This represents an increase of service provision of between 12.3% and 16.4% (50% and 66.6% of 24.6% respectively)."

15. Based on the £160 million figure allocated by the Scottish Government to alcohol and drugs services in the 2024-25 Budget, the FM estimates that "the cost of treatment delivery under this Bill would be between £188.5 million and £198 million. This is an increase of between £28.5 million and £38 million."

16. Tables 1 and 2, reproduced below, set out initial costs and recurring costs broken down by each of the types of additional cost incurred as a result of the Bill's implementation, and by the type of organisation incurring the cost.

Table 1

Costs	Year 1 cost per annum (low)	Year 1 cost per annum (high)	Ongoing cost per annum (low)	Ongoing cost per annum (high)
Total cost of increased provision of drug and alcohol treatments	£28,500,000	£38,000,000	£28,500,000	£38,000,000
Promoting awareness and understanding	£256,268	£256,268	0	£156,268[65]
Reporting to Parliament (including consultation)	£53,055	£53,055	£53,055	£53,055
Code of practice	£10,200	£10,200	0 (in a year where revision to the Code is not required)	£10,200 (in a year where notable revision to Code is required)
Staff training	£200,000	£200,000	0	0
Total	**£29,019,523**	**£38,519,523**	**£28,553,055**	**£38,219,523**

Table 2

Organisation	Year 1 cost (low)	Year 1 cost (high)	Ongoing cost (low)	Ongoing cost (high)
Scottish Administration (including SG managed funding, funding allocated on through the Corra Foundation and funding allocated to CFOs)	£7,254,881	£9,629,881	£7,138,264	£9,554,881
Health Boards	£11,607,809	£15,407,809	£11,421,222	£15,287,809
ADPs	£10,156,833	£13,481,833	£9,993,569	£13,376,833
Total cost	**£29,019,523**	**£38,519,523**	**£28,553,055**	**£38,219,523**

17. The FM anticipates "significant savings" "in the long term", and quotes data from a 2021 independent review of drugs in England, which found that each £1 spent on treatment can save £4 from reduced demand on health, prison, law enforcement and emergency services.

18. The Scottish Government submitted a Memorandum to both the Finance and Public Administration Committee and the Health, Social Care and Sport Committee, noting that the Scottish Government supports the intended outcomes of the Bill as introduced.

19. In relation to the FM, it explains that "the current budget for Alcohol and Drugs encompasses non-clinical as well as clinical support, with varying costs depending on type of treatment and routes to payment. In addition to this there are costs to health boards and social services for providing the wider range of services for people affected by substance use that are not paid for by the drugs and alcohol policy budget, but which are needed to ensure full support."

20. The Scottish Government's Memorandum further states that "to more fully understand the financial implications, a modelled estimate might start with estimating how many more people are likely to require support and care and of what kind. Within this, consideration might be given to both the capital costs

associated with increasing capacity and variety of the overarching support offer, as well as the ongoing costs of meeting treatment, recovery and care needs, in addition to staff capacity and training requirements."

21. However, the Scottish Government's Memorandum recognises that it is "extremely challenging to estimate demand and unmet need given the stigmatised nature of substance use", and notes that while a model has been developed by PHS for estimating the number of people with opioid dependence, no such data is available for people impacted by other types of drugs or alcohol.

22. In relation to savings, the Scottish Government's Memorandum invites the Committee "to consider the extent to which a reduction in substance dependence would relieve system pressure rather than realise financial savings."

23. The Presiding Officer has indicated that a financial resolution under Rule 9.12 of the Parliament's Standing Orders is required for the Bill.

Written submissions received on the FM

24. The Finance and Public Administration Committee ran a call for views on the FM from 1 November to 20 December 2024 and received 9 responses, which are available on Citizen Space.

25. The responses received by the Committee suggest that the costs assumed in the FM may represent an underestimate, particularly due to a lack of data around potential unmet need.

26. The Scottish Health Action on Alcohol Problems (SHAAP) point to limitations to the calculations and estimates set out in the Financial Memorandum, with figures "likely [to] be a huge underestimate due to factors such as stigma, the normalisation of alcohol, and a lack of awareness of the harms of alcohol preventing people from coming forward for help in the first place." Their submission highlights "a considerable unmet need for help for alcohol problems at all levels of severity" and states that "a much more realistic cost should be calculated based on a robust needs assessment not only of people who are dependent but everyone who has potential Alcohol Use Disorder."

27. In their submission, SHAAP call for a new robust national needs assessment to be carried out, followed by a full calculation of the cost estimates of upscaling provision to meet the currently unmet need for people who are dependent on alcohol, "and if there is agreement to extend the scope of the Bill, for all people with Alcohol Use Disorder including dependence."

28. The issue of lack of data is raised in most submissions, including from the Scottish Ambulance Service (SAS), North Ayrshire Alcohol & Drug Partnership (ADP) and Fife Health and Social Care Partnership (HSCP), who argue that "the data sources used to inform the Financial Memorandum are not reflective of patient choice nor of other needs". Their submission notes that PHS prevalence data for opiate use is 4 years out of date and is based on assumptions made across 11 health boards, however, "there is a large variation in the number of

people in need of treatment and an accurate and reliable figure per ADP/Health Board Area is not obtainable", prevalence data for other drugs and alcohol use are also not available, and there is no reliable mechanism for forecasting prevalence in future years. In addition, Fife HSCP note that it is challenging to accurately estimate cost per patient per annum and to be assured of the average length of treatment people would require.

29. Alcohol Focus Scotland (AFS) raise similar concerns in relation to the lack of available data, noting that "the financial working that has been done exposes a significant and worrying gap in the available data and information available to make an informed assessment of the need and justification for investment." Their submission concludes that the cost estimates in the FM "fall short of what is required to ensure equitable access to all of those requiring support". AFS further call on the Scottish Government to undertake comprehensive research into the availability and demand for specialist alcohol treatment services across Scotland.

30. East Ayrshire ADP raise concerns regarding the methodology used in the FM. Their submission states that "we remain unconvinced that given the complexity of drug and alcohol care and treatment that estimating costs based purely on a multiplier (paragraph 61) is an effective way to calculate these costs." It explains that drug and alcohol treatment service provision is much wider and complex than medical treatment and argues that the cost projections in the FM "take no account of, for example social work drug and alcohol provision where no reporting to DAISy [Drug and Alcohol Information System] occurs".

31. More generally, submissions from ADPs highlight uncertainty in relation to funding arrangements for increased responsibilities, with North Ayrshire ADP adding that they "would not want funding currently distributed via CORRA to charities and grass root organisations to be diverted to residential rehabilitation." The Scottish Ambulance Service (SAS) argues that the current £160 million allocation is unlikely to cover the costs of the provisions in the Bill and warns "the financial risk to us may be the potential divert of resources to fund the increase in required capacity to deliver the proposed treatments", adding—

> "It is challenging to correlate the range of data which has informed the costings within the Financial Memorandum or to fully understand the specific resource requirements associated with treatment, associated beds etc where there seems to be speculation on need for services, waiting list figures, reasons why treatments do not proceed as well as splitting out demand based on drug or alcohol addiction where the Bill has not."

32. Some of the submissions received also highlight potential costs that they argue have been omitted from the FM. For example, Fife HSCP highlight the potential costs of complementary support to sustain long-term recovery including psychological therapy, psychosocial support and community and residential rehabilitation. Aberdeen City ADP, Glasgow City Council and Glasgow HSCP highlight the need for capital investment for residential rehabilitation services to expand the existing infrastructure, including in-patient detox beds, as well as IT investment and additional resource to meet reporting proposals. Aberdeen City ADP further suggest that the Bill uses a "narrow definition of substance use

'treatment' with a clinical diagnosis", and "to achieve the proposal of all existing funding going into the defined list of 'treatments' there would be huge reductions in cross system activity and a significant impact on indirect costs".

33. COSLA also argue, in their submission, that the FM does not accurately reflect costs to local authorities, "namely social care costs and the wider indirect impacts on LA services such as housing and homelessness services", and state that the "spend to save" model "does not truly reflect the ongoing, lifelong model of care needed for patients who present through ADPs."

34. In addition to the above, the SHAAP argue that the FM should also take into account costs arising from—

    - "Any new roles for medical practitioners (mainly GPs), nurse prescribers and pharmacist prescribers to address the time spent in upskilling and engaging in new processes on top of current workloads
    - New ways of working for alcohol treatment services
    - Process and workload for obtaining second opinions
    - Use of the NHS complaints procedures
    - Use of the Court of Session to enact the right".

Next steps

35. Following consideration of the evidence received, the Committee will consider any next steps it wishes to take in relation to the FM.

Committee Clerking Team
March 2025