

INTEGRATED IMPACT ASSESSMENT OVERVIEW OF THE DRAFT SMOKING (NORTHERN IRELAND) ORDER 2006

SUMMARY

This document is issued by the Department of Health, Social Services and Public Safety as part of a consultation exercise on the draft Smoking (Northern Ireland) Order 2006 (the draft Order).

It includes details of an Integrated Impact Assessment (IIA) screening exercise in which the policy to protect employees and the general public from exposure to second-hand smoke in enclosed workplaces and public places was subjected to a range of impact assessments. The purpose was to assess its likely effect on various groups and their assessed contribution to Government priorities over a number of dimensions.

Structure

The document is structured as follows:

Chapter 1 – explains the purpose of an IIA;

Chapter 2 – summarises the background to the policy and the draft Order;

Chapter 3 – sets out the findings and conclusions of the IIA Screening Tool.

Fuller details of the screening tool used along with a draft assessment of the Equality Considerations and a Partial Regulatory Impact Assessment are provided in Annexes 1, 2 & 3.

Public Consultation

The assessments in this document form part of a consultation package which is being issued in March 2006 for an 8-week public consultation period.

The full consultation package has been placed on the DHSSPS website from where it can be down loaded.

To facilitate analysis it is important that respondees use the Questionnaire included in the consultation package.

Responses to the consultation may be made online at:

http://www.dhsspsni.gov.uk/index/consultations/current_consultations.htm

CHAPTER 1

INTEGRATED IMPACT ASSESSMENT TOOL

What is an Impact Assessment?

- 1.1 A fundamental requirement of good policy development by government is to ensure that emerging policy proposals comply with its basic policy objectives, wider initiatives, and with statutory obligations as set out elsewhere in legislation. It is important, when bringing forward policy proposals on specific issues, that the opportunity is also taken to ensure that these proposals do not have any unexpected or unacceptable impacts, or which conflict with other aspects of government policy.
- 1.2 To assist in this process, studies, generally referred to as impact assessments, are performed on policy proposals as they are developed. These help policy makers identify the expected impacts of emerging policy options on specific, defined groups or individuals. For example, people of differing community background, those living in rural areas, or businesses and voluntary organisations.
- 1.3 These various assessments are made by drawing upon available quantitative evidence. This may include relevant research either already performed, or specifically commissioned. Qualitative evidence can also provide valuable insights or help to address the limitations of more quantitative research. Consultation with the general public and specific stakeholder groups is an important aspect of the impact assessment process.
- 1.4 Where a policy is found to have a substantial adverse impact on any group or individual, consideration must be given to the scope for the policy to be adjusted to mitigate or lessen the impact before it is implemented. It is therefore important that such impact assessments are performed early during the period of policy development so as to influence and shape the final outcomes.

- 1.5 The first stage in the Integrated Impact Assessment (IIA) process is the screening of policies to decide which, if any, aspects of the policy under consideration should be subjected to further impact assessment. To assist Northern Ireland Departments the Office of the First Minister and Deputy First Minister has developed an IIA Screening Tool which contains a number of standard preliminary questions for each of the impact assessments. This process provides a way of identifying which policy proposals are likely to have greatest impact, and which should be subject to further, more detailed consideration.
- 1.6 The second stage is to carry out this more detailed assessment(s) on the identified areas e.g. equality, economic etc. The assessment process draws upon all available evidence, including, where possible, relevant research. An assessment is made whether:
- the impacts are substantive or marginal;
 - the impacts are positive or adverse in respect of the relevant policy objective or statutory obligation; and
 - any adjustments should be made to the policy under development to mitigate the anticipated impacts.
- 1.7 The outcome of these impact assessments is the subject of public consultation. This provides an opportunity for the public and stakeholder groups to verify or challenge the conclusions reached by departments in the preparation of the impact assessments. Consultees are invited to provide any further quantitative evidence that they consider relevant to the potential impacts of the policy under development. One of the main purposes of the IIA is to obtain this valuable feedback from interest groups, relevant stakeholders and the public.
- 1.8 The feedback received on the IIA will inform the further development of the draft Order. While the Northern Ireland Assembly and Executive remains suspended, this legislation will be taken forward as an Order in Council through the Westminster Parliament. Should devolution of powers be restored in the interim, the legislation will be taken forward as an Act through

the Northern Ireland Assembly, and the timetable for consultation will be reviewed in that context.

What is addressed in an Integrated Impact Assessment?

1.9 Three main forms of assessment are included in the IIA. These consider:

- legislative obligations: placed upon Government in respect of the development of policy or the delivery of services, including Section 75 of the Northern Ireland Act 1998 and the Human Rights Act 1998 as made applicable to Northern Ireland by virtue of the Northern Ireland Act 1998;
- over-arching Government policy: initiatives which straddle the policy development or operational delivery practices of all Government Departments, including New Targeting Social Need and rural proofing; and
- good practice: issues which it has been agreed should be taken into account by Government Departments, including community safety and victims.

How to use this Integrated Impact Assessment Overview

1.10 This document sets out, in draft form, Government's assessment of the impact of its proposals. Questions 8 to 23 of the Questionnaire, which is enclosed in the consultation package, invites views on the analysis performed and conclusions reached.

CHAPTER 2

THE DRAFT SMOKING (NORTHERN IRELAND) ORDER 2006

Policy Objective

- 2.1 The policy objective is: *'To protect employees and the public from exposure to second-hand tobacco smoke in enclosed workplaces and public places'*.
- 2.2 In this connection "second-hand" smoke is made up of two types of smoke:
- (a) mainstream smoke is smoke breathed in and out by smokers; and
 - (b) sidestream smoke comes from the end of a burning cigarette or cigar and makes up 85 per cent of the smoke in a smoky environment.

Background

- 2.3 Smoking is the single greatest cause of premature death and preventable illness in Northern Ireland. Tobacco is a major cause of health inequalities and is the principal cause of the gap in life expectancy between rich and poor. As well as lung and other cancers, smoking is linked to many other serious conditions including chronic obstructive lung disease (e.g. bronchitis & asthma) and brittle bone disease. Exposure to second-hand tobacco smoke is a cause of lung cancer and, in those with long-term exposure, the increased risk is estimated to be around 24%.
- 2.4 A five year Tobacco Action Plan was published in June 2003. It addresses issues such as changing the public's perception of tobacco use, prevention, helping smokers to quit and protecting the public from tobacco smoke.
- 2.5 In December 2004 the Department of Health, Social Services and Public Safety issued the regional strategy *A Healthier Future – A Twenty Year Vision for Health and Well-being in Northern Ireland 2005-2025*, which provides a vision of how health and social services will develop over 20 years. The Strategy sought views on three options for strengthening tobacco controls. These were:

- “i. One is to build on the existing policy of exhorting and supporting smoking cessation. Some have argued that this is a matter of personal choice and that the role of Government should be to educate the public on the dangers of smoking and to encourage greater adoption of smoke-free provision in public places and in workplaces through self-regulation.*
- ii. The second option is that we might, as proposed for England, prohibit smoking in most enclosed public places and workplaces, while still allowing smoking in some pubs and bars, other than those preparing and serving food. Private clubs would have the discretion to take their own decision on smoking based on the views of their members.*
- iii. The third option is to adopt the approach taken in the South of Ireland and to be introduced in Scotland and ban smoking in all enclosed public places and workplaces in Northern Ireland.”*

2.6 The consultation exercise on a *Healthier Future* showed, of those who responded, overwhelming public support for option iii – to ban smoking in all enclosed public places and workplaces with some 91% of the 70,000 responses supporting this view.

Smoke-free Workplaces and Public Places

2.7 The Minister for Health, Social Services and Public Safety, Shaun Woodward, announced on the 17th October 2005, that he would introduce legislative measures in April 2007 to protect employees and the public from second-hand smoke in workplaces and enclosed public places in Northern Ireland. He gave a commitment to consult on the draft proposals early in 2006.

Draft Smoking (Northern Ireland) Order 2006

2.8 The draft Smoking (Northern Ireland) Order 2006 (the draft Order) contains provisions to make enclosed workplaces and public places smoke-free. The draft Order also contains provisions which will enable the Department to specify in regulations certain premises or parts of premises which will be

exempt from the legislation. The intention is that these exemptions will be limited. These regulations will be the subject of separate consultation later in the year.

Offences and Enforcement

- 2.9 The draft Order makes provision for the legislation to be enforced by authorised officers of district councils. The draft Order sets out the following four offences and penalties:
- (a) a person failing to comply with the duty to display the prescribed no-smoking sign in a smoke-free premise commits an offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale (£1,000);
 - (b) a person who is concerned in the management of smoke-free premises and who fails to take reasonable steps to prevent smoking in a smoke-free area commits an offence and is liable on summary conviction to a fine not exceeding level 4 on the standard scale (£2,500);
 - (c) a person who knowingly smokes in a smoke-free premise commits an offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale (£1,000); and
 - (d) a person who intentionally obstructs an authorised officer of a district council acting in the exercise of his duties under the Order commits an offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale (£1,000).
- 2.10 The draft Order also provides for an authorised officer of a district council to issue a fixed penalty notice where he believes that an offence, as outlined in (a), (b) or (c) above, has been committed. The amount of the fixed penalties will be specified in regulations, which will be the subject of further consultation later in the year.
- 2.11 In developing the draft Order, the Department took account of legislative developments in both England and Scotland.

CHAPTER 3

INTEGRATED IMPACT ASSESSMENT SCREENING

Introduction

3.1 In the development of the draft Order, the Department used the IIA Screening Tool (outlined in paragraph 1.5) to assess the following:

- Economic ;
- Social ;
- Health;
- Rural ;
- Environmental;
- Human Rights;
- Victims; and
- Community Safety.

The IIA Screening Tool is set out at **Annex 1**.

Summary of Screening

3.2 A summary of the IIA screening findings is set out below.

Equality

Screening has identified that further consideration should be given to the equality aspects of the policy and these considerations are set out at **Annex 2**.

Economic and Health Impacts

Screening has identified that the policy will have different economic and health impacts. A Partial Regulatory Impact Assessment, which also includes the health impacts, is set out at **Annex 3**.

Social Impact Assessment - New Targeting Social Need, Social Capital, Community and Education

It is concluded that a full impact assessment is not necessary in this area. The policy to be carried forward through the proposed legislation is assessed as having no impact on poverty or social exclusion. It is also assessed as having no differential impact on people in different economic circumstances; no effect on the capacity of parents/guardians to provide a stable environment for their children; and no impact on skills levels in society nor on access to arts, culture, sports and pursuits.

Homelessness

The policy is assessed as having no effect on people's access to information, or social network, nor will it have housing implications. However, it is acknowledged that there are circumstances where a person's home, either temporary or permanent, is also another person's workplace e.g. residential accommodation, prisons etc. Question 3 of the Questionnaire enclosed with this consultation package invites specific views on exemptions.

On the basis of the above, the Department is of the view that a full impact assessment is not required.

Rural Impact

The policy applies equally to all business areas. There is no evidence of a detrimental impact on rural businesses. Questions 21 -23 of the Questionnaire enclosed with this consultation package invites specific views on this issue.

Environmental Impact

The policy is assessed as having no impact on climate change. It will have an obvious impact indoors as enclosed workplaces and public places will be smoke-free. It will lead to a reduction in the numbers of people being affected by existing levels of indoor air pollution in that non-smokers will suffer less exposure to environmental tobacco smoke at work and in public places.

The policy has no implications for the landscape or for land use or in relation to noise and biodiversity. Overall the Department considers that there is no case for a fuller impact assessment in this area.

Human Rights

The policy aims to protect employees and the public from exposure to second-hand smoke. It is about where people smoke rather than stopping them smoking. However, evidence from elsewhere indicates that smoke-free policies lead to a reduction in prevalence rates.

Whilst the policy brings into play penalties and enforcement powers arising from its infringement, it balances this with major public health benefits. The Department is of the view that it has no effect on any other areas of human rights and does not require a full impact assessment.

Victims

There is no evidence that the policy will have a particular impact on victims of conflict.

Community Safety

There is no indication that the policy will impact on community safety.

Conclusions

- 3.3 The conclusions which the Department has drawn from applying the IIA Screening Tool are that:
- i. the draft Order will have a positive impact on the health and wellbeing of employees and the general public;
 - ii. the policy will have an impact on smokers as they will no longer be able to smoke in enclosed workplaces and public places. However, this has

to be balanced against the public health benefits. **Annex 2** sets out the equality considerations;

- iii. the policy has been assessed as having an impact on employers and therefore a Partial Regulatory Impact Assessment (RIA) has been undertaken. **Annex 3** sets out the RIA, which also includes an assessment of the impact on health; and
- iv. the policy has been assessed as not having any significant impact on social, environmental, human rights, victims and community safety.

Integrated Impact Assessment - Overview

Policy/project title: TOBACCO CONTROL

Brief description of policy/project To improve the health of the population in Northern Ireland
To introduce tobacco controls

Policy Aim: To introduce comprehensive measures to protect employees and the public from exposure to second-hand smoke in enclosed workplaces and public places in Northern Ireland.

Relevant Priorities By 2012 increase the life expectancy at birth in NI by 3 years for men and 2 years for women
Budget and PSA
Targets By 2012 halve the gap in life expectancy between those living in the fifth most deprived electoral wards and the NI average for men and women
By 2011 reduce the proportion of adult smokers to 23 % of less, with a reduction in prevalence among manual groups to 28% or less

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EQUALITY SCREENING

(This must be completed in line with the Equality Commission’s Guide to Statutory Duties Arising from Section 75)

Policy Aim: Introduce comprehensive measures to protect employees and the public from exposure to second-hand smoke in enclosed workplaces and public places.

Screening Procedure

Proposed policies must be subject to screening and those identified as having significant implications for equality of opportunity following such a review must be subject to full impact assessment. For each policy, the criteria set out in the table below must be considered in relation to the nine equality categories. These are

- | | |
|---------------------------|--------------------|
| Age | Political opinion |
| Marital status | Racial Group |
| Men and Women generally | Religious Belief |
| Persons with a disability | Sexual Orientation |
| Persons with dependants | |

If the answer to any of these four questions is yes, consideration must be given to whether to subject the policy to the equality impact assessment procedure.

Screening Questions	Yes/No
<ul style="list-style-type: none"> • is there any evidence of higher or lower participation or uptake by different groups? 	Yes
<ul style="list-style-type: none"> • is there any evidence that different groups have different needs, experiences, issues and priorities in relation to the particular policy? 	Yes
<ul style="list-style-type: none"> • is there an opportunity to better promote equality of opportunity or good relations by altering the policy or working with others in government or in the larger community? 	No
<ul style="list-style-type: none"> • have consultations with relevant groups, organisations or individuals indicated that particular policies create problems which are specific to them? 	No

In light of answers to the four questions above is a full equality impact assessment necessary?

Yes	No
	✓

Please justify your decision:

The policy is aimed at the whole population – both non-smokers and smokers, including the S 75 groups. 74% of the population do not smoke and 26% smoke.

The policy will introduce measures to protect employees and the public from exposure to second-hand smoke. It will affect smokers in that they will no longer be permitted to smoke in enclosed workplaces and public places.

The equality implications were considered in the development of the Tobacco Action Plan, which aims 'To create a tobacco-free society' The Action Plan identifies young people, disadvantaged adults who smoke and pregnant women who smoke as key target groups. It also highlights the particular needs of disabled people, including those with mental ill health and from a black and minority ethnic background as having particular needs especially with regard to accessing services and information. Smoking cessation services have been developed for young people, pregnant women and disadvantaged adults who smoke.

The Department has given further consideration to the equality implications and these are set out in Annex 2.

The Equality Impact Assessment procedure is described more fully in Annex 1 of the Equality Commission's *Guide to Statutory Duties*. Your Equality Scheme includes a commitment to conducting equality impact assessments in accordance with this procedure.

It is the responsibility of the Gender Equality Unit to develop and implement a Gender Equality Strategy to tackle inequalities between men and women, and boys and girls where that inequality relates to their gender, marital or relationship status, whether or not they have dependants or caring responsibilities or are transgendered. As part of this strategy, guidance on gender equality impact assessment has been developed. This guidance is available at: <http://www.genderequalityni.gov.uk/impactguide.htm>

ASSESSMENT OF IMPACTS OTHER THAN EQUALITY IMPACT

Policy Aim: To introduce comprehensive measures to protect all employees and the public from exposure to second-hand smoke in enclosed workplaces and public places in Northern Ireland.

Note: The IIA as a whole includes the essential components of a sustainability assessment. Further guidance on sustainable development can be accessed using this link. [Sustainability Assessment Guidance]

[\[http://www.ofmdfni.gov.uk/iia/pdfs/sustainability.pdf\]](http://www.ofmdfni.gov.uk/iia/pdfs/sustainability.pdf)

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
ECONOMIC IMPACT ASSESSMENT: CONSUMERS (Questions 1-5) GUIDANCE [http://www.ofmdfni.gov.uk/iia/pdfs/consumer.pdf]					
1. Will the policy affect the cost, quality or availability of commercially available or publicly provided goods or services.	No	No			
2. Will it result in a change in the choice available to consumers, or the availability of information to enable them to exercise choice?	Yes	No	The policy does not affect the consumer's choice to smoke only where they may do so.		

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
3. Does the policy enhance the region's infrastructure, including maximising transport choice and exploiting opportunities offered by information technology?	No	No			
4. Will it introduce a new technology or process that will make existing goods redundant over time?	No	No			
5. Does the policy take sufficient account of unique regional characteristics, other policies within the region, and policies in the ROI and other parts of the UK?	Yes	No	Policy informed by what is happening in these other regions and internationally		
ECONOMIC IMPACT ASSESSMENT: BUSINESS/CHARITIES/VOLUNTARY SECTOR (Questions 6-10) GUIDANCE [http://www.ofmdfmi.gov.uk/ia/pdfs/business.pdf]					
6. Will the policy impose or relieve a cost or burden on business, charities or the voluntary sector?	Yes	Yes	Will be covered in RIA		
7. Will it result in a change in the investment in people, equipment, infrastructure, or other asset?	Yes	Yes	Will be covered in RIA		

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
8. Will the policy develop a strong culture of enterprise and innovation?	No	No			
9. Will the policy promote indigenous growth and the development of the social economy?	No	No			
10. Will the policy benefit or impact adversely on tourism?	Yes	Yes	Covered in RIA		
ECONOMIC IMPACT ASSESSMENT: STATE AID (Questions 11-15) GUIDANCE [http://www.ofmdfmi.gov.uk/ia/pdfs/state_aid.pdf]					
11. Does the policy involve a measure granted by the State or through State resources such as a subsidy or tax/charge exemption?	No	Note: Only if you answer yes to all 5 questions is State Aid involved.			
12. Does it confer an advantage?	No				
13. Is it selective, favouring certain undertakings?	No				
14. Is the activity tradeable between EU Member States?	No				

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
15. Does the measure distort or have the potential to distort competition?	No				
ECONOMIC IMPACT ASSESSMENT: PUBLIC EXPENDITURE AND PUBLIC SERVICE (Questions 16-18) GUIDANCE: GREEN BOOK [http://www.hm-treasury.gov.uk/economic_data_and_tools/greenbook/data_greenbook_index.cfm] & NORTHERN IRELAND PRACTICAL GUIDE TO THE GREEN BOOK [http://www2.dfpni.gov.uk/economic_appraisal_guidance/index.htm]					
16. Does the policy incur public expenditure implications?	Yes	Yes	Covered in RIA	.	
17. Will it result in receipts or savings in public expenditure?	Yes	Yes		RIA/HIA (savings to health service with reduction in smoking related deaths and illnesses) (tax)	
18. Will it impose administrative or other burdens on public service providers, e.g. frontline staff in health, education, local government or criminal justice?	Yes	Yes	(health service – smoking cessation services. Enforcement by district councils, prosecutions)		
SOCIAL IMPACT ASSESSMENT: NEW TARGETING SOCIAL NEED, SOCIAL CAPITAL, COMMUNITY AND EDUCATION (Questions 19-24) GUIDANCE [http://www.ofmdfmi.gov.uk/ia/pdfs/tsn.pdf]					
19. Will poverty and social exclusion be addressed positively in this policy?	No	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
20. Will the policy impact differentially on people with different economic circumstances?	No	No			
21. Will it affect the capacity for parents/guardians to provide a stable environment for their children?	No	No			
22. Will it enhance the level of skills and education, in the workforce, among children, or otherwise?	No	No			
23. Will it affect access to, and the range of, facilities for the arts, culture, sports and leisure pursuits?	No	No			
24. Will the policy affect the number of people involved in voluntary and community activities?	No	No			
SOCIAL IMPACT ASSESSMENT: HOMELESSNESS (Questions 25-29) GUIDANCE [http://www.ofmdfmi.gov.uk/ia/docs/homelessness.doc]					
25. Will it affect people's access to information or social network?	No	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
26. Will the policy ensure that the housing stock meets the housing needs of all parts of the community?	No	No			
27. Will the policy impact differentially on people who are of no fixed address, homeless or residing in temporary accommodation?	Yes	No	The policy could affect people residing in temporary accommodation		Consultation will seek views on exemptions including hostels, B&Bs
28. Will the policy promote user and community involvement in policy development and service delivery?	No	No			
29. Will the policy maintain or increase the choices available to future generations to meet their needs?	No	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
HEALTH IMPACT ASSESSMENT (Questions 30-34) GUIDANCE [http://www.ofmdfni.gov.uk/ia/pdfs/hia-guidance.pdf]					
30. Will the policy have an impact on: diet; physical activity; safe sex; substance use (alcohol, tobacco, illegal drugs)?	Yes	No	The policy is designed to improve public health and wellbeing and make a positive contribution to the attainment of wider health objectives. It is not envisaged that there will be any negative health impacts and a full HIA is not required (health impacts will be covered in RIA)		
31. Will the policy have an impact on health in terms of: air quality; built environment and land use; noise; water supply and quality?	Yes	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
32. Will the policy affect the wider determinants of health such as crime; education; employment, including workplace; family cohesion; housing; income; recreation; social cohesion; transport?	Yes	No			
33. Will the policy have an impact on access to health services?	Yes	No			} Likely to increase demand for smoking cessation – increased funding for NRT. Long term will reduce demand for Smoking related services
34. Will the policy enhance or harm public safety, or health and safety at work?	Yes	No	Covered in RIA		
RURAL IMPACT ASSESSMENT (Questions 35-36) GUIDANCE [http://www.ofmdfmi.gov.uk/ia/pdfs/rural.pdf]					
35. Will the policy apply in rural areas and communities?	Yes	No	Will affect all population - no adverse impact on rural areas but will seek views during consultation		
36. Is the policy consistent with ensuring that, as far as possible, public services are accessible on a fair basis to the rural community?	Yes	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
ENVIRONMENTAL IMPACT ASSESSMENT: CLIMATE CHANGE (Questions 37-38) GUIDANCE [http://www.ofmdfmi.gov.uk/ia/pdfs/climatechange.pdf]					
37. Will the policy lead to a change in the emissions or any of the six greenhouse gases, for instance by consumption of fossil fuel?	No	No			
38. Will it affect, or be affected by, vulnerability to the predicted effects of climate change e.g. flooding?	No	No			
ENVIRONMENTAL IMPACT ASSESSMENT: AIR QUALITY (Questions 39-41) GUIDANCE [http://www.ofmdfmi.gov.uk/ia/pdfs/airquality.pdf]					
39. Will the policy lead to a change in the emissions of air pollutants?	Yes	No	Negligible on outdoor perspective		
40. Will it result in greater or fewer numbers of people being affected by existing levels of air pollution?	Yes	No	Reduction in non-smokers exposure to environmental smoke		
41. Will it have a bearing on areas of existing poor air quality?	No	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
ENVIRONMENTAL IMPACT ASSESSMENT: LANDSCAPE AND LAND USE (Questions 42-48) Regional Development Strategy http://www.drdni.gov.uk/shapingourfuture/regional_dev/foreword/foreword.htm					
42. Does the policy conform or have regard to the Regional Development Strategy?	N/A				
43. Will the policy involve visually intrusive construction works?	N/A				
44. Does the policy contribute to the protection/conservation and management of the natural and built environmental assets of the region?	N/A				
45. Does the policy enhance and improve the environmental quality of the region including high standards of design?	N/A				
46. Will it impact on a location in such a way as to change its sense of place, community or identity in any other way?	N/A				
47. Does the policy maximise the re-use of previously used land?	N/A				

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
48. Does the policy ensure that decisions about the distribution and location of activity are consistent with sustainable development principles, for example, in terms of the impact on travel?	N/A				
ENVIRONMENTAL IMPACT ASSESSMENT: USE OF NATURAL RESOURCES (Questions 49-53) [DN: guidance to be provided]					
49. Will the policy safeguard natural non-renewable sources?	No	No	not relevant		
50. Will it affect the efficient use of energy or water?	No	No	not relevant		
51. Will the policy seek to minimise waste and encourage re-use and recycling of waste material?	No	No	Not relevant		
52. Will it lead to an increase or decrease in water pollution?	No	No	Not relevant		
53. Will it increase or decrease water abstraction or otherwise affect the flow, run-off or recharge of water?	No		Not relevant		

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
ENVIRONMENTAL IMPACT ASSESSMENT: BIODIVERSITY (Questions 54-55) [DN: guidance to be provided]					
54. Will the policy involve disturbance or relief of disturbance to habitats or species by change of land use, light or noise?	No	No	Not relevant		
55. Will it lead to severance, fragmentation, isolation or change in size of habitats?	No	No	Not relevant		
ENVIRONMENTAL IMPACT ASSESSMENT: NOISE (Questions 56-58) GUIDANCE [http://www.ofmdfmi.gov.uk/ia/pdfs/noise.pdf]					
56. Will the policy lead to an increase or decrease in exposure to noise of sensitive buildings such as schools and hospitals?	No	No	Not relevant		
57. Will it lead to an increase or decrease in the number of people affected by existing noise?	No	No	Not relevant		
58. Will it lead to a change in standards or use that would increase or decrease the noise generated by products?	No	No	Not relevant		

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
HUMAN RIGHTS IMPACT ASSESSMENT (Questions 59-69) GUIDANCE – OFMDFM HUMAN RIGHTS WEBSITE [http://www.humanrightsni.gov.uk/]					
59. Does the policy include provisions creating, or governing the imposition of, criminal penalties or penalties of an administrative nature?	Yes	No	Public health (balance of rights)		
60. Does the policy provide enforcement powers including in particular powers of entry and inspection and powers to require the production of or to seize documentary and other records?	Yes	No	Public Health (balance of rights)		
61. Does the policy provide powers of compulsory purchase, destruction or disposal?	No	No			
62. Does the policy contain provisions prohibiting or restricting the movement, use or other forms of the peaceful enjoyment of private property?	No	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
63. Does the policy apply restrictions by way of licensing or registration requirements before certain forms of economic or social activity can be undertaken?	No	No			
64. Does the policy contain provisions relating to the withdrawal or suspension of such licensing or registration or the imposition of conditions in connection therewith?	No	No			
65. Does the policy contain provisions setting standards for the construction and/or maintenance of real or personal property or the use which may be made thereof, including for example, building control, health and safety at work provisions, etc?	No	No			
66. Does the policy set up schemes for giving grant-aid loans and provisions for the withdrawal or recovery of such grant or loans?	No	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
67. Does the policy impact on the giving of various types of social benefit, including, for example, housing benefit, and provision for the withdrawal or recovery of such benefit?	No	No			
68. Does the policy contain provisions relating to private or family life including, in particular, provisions conditioning the circumstances in which a person may be married or divorced or may have rights or obligations granted to or imposed on them in relation to children?	No	No			
69. Does the policy contain any provisions which might have a retrospective effect?	No	No			
VICTIMS IMPACT ASSESSMENT (Question 70) GUIDANCE [http://www.victimsni.gov.uk/pdf/victimsbrochure.pdf]					
70. Is there any evidence to suggest that the policy would have a particular impact on victims of conflict?	No	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	
COMMUNITY SAFETY IMPACT ASSESSMENT (Questions 71-73) GUIDANCE [http://www.ofmdfmi.gov.uk/ia/pdfs/community_safety.pdf]					
71. Will the policy contribute to community safety?	No	No			
72. Is it likely to have an impact on any specific type of crime, especially vehicle crime or domestic burglary?	No	No			
73. Will it help victims of crime or reduce public fear about being a victim of crime?	No	No			
OTHER IMPACT ASSESSMENT (Question 74)					
74. Will the policy have a significant impact that does not appear to be reflected in any of the categories above?	No	No			

Illustrative questions for consideration	Screening		Detailed Impact Assessment (if screening answer is yes) Brief Justification (if screening answer is no)		Scope for Mitigation/ Alternatives
	Answer Yes/No	Full Impact Assessment Necessary? Yes/No	Qualitative	Quantitative	

RISK

The main risks with the policy are lack of understanding from both public and businesses and the subsequent non-compliance of both. In order to alleviate lack of understanding a communications programme, prior to the legislation coming into force, will be launched. This will involve a poster and media campaign.

Officers employed by district councils will be available for a period before and after the policy is in force to ensure that those businesses most affected by the policy are aware of their responsibilities. A compliance phone line will be available for people to both seek advice and to report incidents of non-compliance.

All risks in terms of financial analysis and Regulatory Impact Analysis are investigated and explained in the Regulatory Impact Assessment.

NEXT STEPS

Comment on the extent to which it is necessary to adjust your proposed policy in light of the findings documented above.

What further steps/discussions are needed within your Department, with other Departments and with other stakeholders in developing the way forward?

Discussions held with relevant Departments. Views on specific issues will be taken during consultation e.g. Exemptions

CONSULTATION

The details of consultation should be set out if it differs from the consultation undertaken on the Equality Impact Assessment.

Proposals for control of tobacco including a ban on smoking in enclosed public places and workplaces subject of a three month consultation (21 December 2004 – 25 March 2005). Over 70,000 responses received with 91% of responses supporting comprehensive measures.

Draft Smoking (Northern Ireland) Order 2006 will be the subject of three month consultation which will include RIA, HIA & IIA.

Equality Considerations

Northern Ireland Act 1998

1. Section 75 (S75) of the Northern Ireland Act 1998 places the following statutory requirement on each public authority:

“(1) A public authority shall in carrying out its functions relating to Northern Ireland have due regard to the need to promote equality of opportunity –

- (a) between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;*
- (b) between men and women generally;*
- (c) between persons with a disability and persons without; and*
- (d) between persons with dependants and persons without.*

(2) Without prejudice to its obligations under subsection (1), a public authority shall in carrying out its functions relating to Northern Ireland have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.”

Policy Aim and Groups Affected

2. The specific aim of the draft Smoking (Northern Ireland) Order 2006 is to protect employees and the public from exposure to second-hand smoke in enclosed workplaces and public places. The 2004/05 Continuous Household Survey indicates that 74% of the population do not smoke. The policy is not about stopping the 26% of the population who smoke from smoking but rather about

where they smoke. The policy will therefore affect the whole population – both non-smokers and smokers - and will impact on all of the S 75 groups.

3. The policy will also have an impact on employers and this has been dealt with in the **Partial Regulatory Impact Assessment set out in Annex 3**.

Tobacco Action Plan

4. A five year Tobacco Action Plan, which was published in June 2003, aims to create '*a tobacco-free society*'. The Plan's objectives are:

- preventing people from starting to smoke;
- helping smokers to quit; and
- protecting non-smokers from tobacco smoke.

5. The Plan identifies three priority groups:

- children and young people;
- pregnant women; and
- disadvantaged adults who smoke.

6. It also contains a number of actions to help achieve the overall aim and the three objectives. The actions include development of smoking cessation services which are accessible to all smokers (including the three target groups, those from an ethnic minority background and those with a disability); training of health and education professionals; and a public information campaign.

7. During the development of the Action Plan, consideration was given to the equality implications of the policy. As a result, children and young people, pregnant women and disadvantaged adults were identified as priority groups.

Consideration of Available Data

8. When considering the equality implications of the Tobacco Action Plan the Department considered the data from the Continuous Household Survey (2000/01) the Health and Wellbeing Survey 2001, Young Persons' Behaviour & Attitudes Survey 2000 and the Infant Feeding Survey 2000. The Department has revisited the information available and in particular the Continuous Household Survey 2004/05 and the 2003 Young Persons' Behaviour & Attitudes Survey. The Health and Wellbeing and the Infant Feeding Surveys have not been updated since the publication of the Tobacco Action Plan.

Table 1: Prevalence of Smoking by Religion and Socio-economic Group 2004/05

	Total¹	Catholic	Protestant
Professional/Employer, Manager	19%	23%	15%
Intermediate non-manual	18%	22%	15%
Junior non-manual	26%	31%	23%
Skilled manual	28%	29%	25%
Semi-skilled manual	37%	44%	32%
Unskilled manual	43%	46%	41%
No SEG, ref, etc, armed forces	24%	28%	21%
All Groups	26%	30%	23%

Source: Continuous Household Survey

¹ Includes those for who religion was not provided or derived, and other.

Table 2: Prevalence of Cigarette Smoking by Sex and (a) Religion and (b) Marital Status 2004-05

Catholics and Protestants aged 16+

Persons aged 16+

(a) Sex and Religion²	2004-05	(b) Sex and Marital Status	%
All		All	
Catholic	30	Single	33
Protestant	23	Married/Cohabiting	20
		Widowed/Divorced/Separated	34
All	26	All	26
Males		Males	
Catholic	31	Single	34
Protestant	24	Married/Cohabiting	22
		Widowed/Divorced/Separated	38
All Males	27	All Males	27
Females		Females	
Catholic	30	Single	33
Protestant	22	Married/Cohabiting	19
		Widowed/Divorced/Separated	32
All Females	25	All Females	25

Source: Continuous Household Survey

²If missing, unwilling or undefined religion is supplemented from the first person in the household to state Catholic or Protestant

Table 3: Prevalence of Cigarette Smoking by Sex and Age 2004-05

Persons aged 16+

Sex and Age	Males (%)	Females (%)	All (%)
16-19	19	19	19
20-24	32	38	35
25-34	37	34	35
35-49	33	30	31
50-59	29	25	27
60+	16	13	15
All	27	25	26

Source: Continuous Household Survey

Table 4: Prevalence of Cigarette Smoking by Sex and Socio-Economic Group 2002/03

Persons aged 16+

Sex and Socio-Economic Group (SEG8)	Male (%)	Female (%)	All (%)
Professional	12	17	15
Employer, Manager	27	24	25
Intermediate non-manual	18	18	18
Junior non-manual	22	27	23
Skilled manual	24	28	27
Semi-skilled manual	35	33	35
Unskilled manual	34	30	31
No SEG, ref etc, armed forces	28	28	28
All	26	27	26

Source: Continuous Household Survey

9. The information outlined in tables 5a, b and c is taken from the 2003 Young Persons' Behaviour and Attitudes Survey.

Table 5a: Have you ever smoked tobacco? (At least one whole cigarette not just a puff of someone else's)

	Frequency	Percent
Yes	2325	32.7
No	4776	67.3
Total	7101	100.0

Table 5b: What age (in years) were you when you had your first cigarette?

	Frequency	Percent
7 or younger	87	3.8
8	69	3.0
9	90	3.9
10	242	10.5
11	335	14.6
12	419	18.2
13	341	14.8
14	200	8.7
15	58	2.5
16	5	0.2
I can't remember	451	19.6
Total	2296	100.0

Table 5c: How often do you smoke cigarettes now?

	Frequency	Percent
Every day	636	27.5
At least once a week but not every day	155	6.7
Less than once a week	141	6.1
I do not smoke now	1382	59.7
Total	2314	100.0

Source: Young Person's Behaviour and Attitudes Survey, 2003

Assessment

10. Smoking is the single greatest cause of premature death and preventable illness in Northern Ireland. Tobacco is a major cause of health inequalities and is the principal cause of the gap in life expectancy between rich and poor. Exposure to second-hand tobacco smoke is a cause of lung cancer and, in those with long-term exposure, the increased risk is estimated to be around 24%.
11. As outlined in paragraph 2, the policy aims to protect employees and the public from exposure to second-hand smoke in enclosed workplaces and public places. It will also affect smokers in that they will no longer be able to smoke at work or in public places such as restaurants, bars, shopping centres etc.
12. Consideration of the data outlined in paragraphs 8 and 9 indicate³:
 - overall 27% of men and 25% of women smoked;

³ It should be noted that, as these figures are taken from surveys, the results are subject to some degree of sampling error. The level of the sampling error is heavily influenced by the numbers surveyed (relative to the overall population).

- women aged 20-24 were almost three times as likely to smoke cigarettes (38%) as those aged 60 or more (13%)⁴;
- men aged 20-24 were twice as likely to smoke cigarettes (32%) as those aged 60 or more (16%)⁴;
- overall approximately a third of single people (33%) and widowed, divorced or separated people (34%) smoked. This compares with one fifth of married or cohabiting people;
- overall nearly a third of Catholics (30%) smoked compared with almost a quarter of Protestants (23%)⁴;
- there is little difference between the prevalence of smoking in Catholic women (30%) and Catholic men (31%) and also between Protestant men (24%) and Protestant women (22%);
- smoking rates are higher for Catholics than Protestants across all socio-economic groups⁵;
- for both Protestants and Catholics, smoking was most prevalent in the semi-skilled manual and unskilled manual socio-economic groups and least prevalent in the professional/employer, manager and intermediate non-manual groups⁵;
- a third of pupils (30% of boys and 36% of girls) have smoked tobacco, most of these smoking for the first time before 13 years of age. Over a third (34%) of those who have smoked tobacco, currently smoke at least once a week, however, 39% of these smoke 20 cigarettes or less in a week⁵.

13. This suggests that the policy is most likely to have an effect on age, gender and religion. This is similar to the Tobacco Action Plan.

⁴ This difference is statistically significant i.e. through means of a statistical test, the observed difference is deemed sufficiently large that it looks unlikely to have occurred by chance alone.

⁵ As information was not readily available on the base numbers involved, it was not possible to ascertain whether the observed differences are statistically significant or not.

14. Evidence from elsewhere suggests that legislative measures to control where people smoke lead to a reduction in smoking prevalence. This evidence, the conclusions above and the information from the Health and Wellbeing Survey and Infant Feeding Survey all suggest that the actions in the Tobacco Action Plan will play an important role in the implementation of the draft Smoking (Northern Ireland) Order 2006.
15. The Department has made almost £7m available since 1999 to facilitate the development of a major public information campaign, the provision of a range of smoking cessation services across Northern Ireland and the establishment, in January 2003, of a dedicated telephone helpline service for smokers.
16. During 2004/05, 7,369 people set a quit date through the smoking cessation services. This is an increase of 16% on the figure for the reporting period 2003/04. In order to address the duty placed on public authorities by S 75 Health & Social Services Boards were asked to undertake equality monitoring with individuals accessing smoking cessation services. Completion of the equality forms was voluntary and many service users did not complete them.
17. Consideration of the 2004/05 monitoring data shows that S75 groups are accessing the services. For example, of those who returned the monitoring forms:
 - 58% were women;
 - 3% were under 18 and 16% were aged 60 and over;
 - 30% were single and 50% were married;
 - 15% declared a disability;
 - 43% were Protestant and 48% were Roman Catholic.

The full report "*Statistics on Smoking Cessation Services in Northern Ireland: 2004/2005*" is available on the DHSSPS website.

<http://www.dhsspsni.gov.uk/stats&research/smokingcessann.asp>

18. The intention is that smoking cessation services, including the Smoker's Helpline, will continue to be developed and in particular take account of the specific needs of the three priority groups highlighted in the Tobacco Action Plan – children & young people, pregnant women and disadvantaged adults who smoke.
19. The Department considers that the policy should impact positively on the health and well-being of employees and the general public. Although the policy will impact on smokers, the Department will continue to encourage smokers to quit and will promote and further develop smoking cessation services. The Department considers that the policy does not adversely impact on any of the S 75 groups and therefore a full Equality Impact Assessment is not required.

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Partial Regulatory Impact Assessment

Introduction

1. During the period 21 December 2004 to 25 March 2005 the Department of Health, Social Services and Public Safety (DHSSPS) undertook public consultation on three options for strengthening tobacco controls. Over 70,000 responses were received with the overwhelming majority (91%) supporting a ban on smoking in enclosed workplaces and public places. The consultation took place within the context of the DHSSPS Regional Strategy "*A Healthier Future – A Twenty Year Vision for Health and Wellbeing in Northern Ireland 2005 – 2025*". The strategy outlines the Department's commitment to protecting public health by tackling the issues of active smoking and exposure to second-hand smoke in public places and work places.
2. A Partial Regulatory Impact Assessment (RIA) including a Health Impact Assessment (HIA) has been prepared to assess the benefits and costs associated with three options for taking forward the Department's policy for tobacco control. The three options are (i) building on the existing policy of exhorting and supporting smoking cessation; (ii) a partial ban on smoking in public places which would prohibit smoking in enclosed public places and workplaces with exemptions for pubs and clubs which do not prepare or serve food; and (iii) a full ban on smoking in enclosed public places and workplaces.

Background

3. In 2003 there were over 5,000 deaths in Northern Ireland from lung cancer, ischaemic heart disease (IHD) and stroke. The hospital costs associated with treating these diseases is estimated at £118m (2003/2004). While not all of these deaths are attributable to smoking, scientific evidence shows that smoking

is a primary contributor to death from lung cancer and IHD and is linked to the incidence of stroke and respiratory diseases.

4. There is also evidence to illustrate the health risks associated with exposure to second-hand smoke also referred to as passive smoking or environmental tobacco smoke (ETS). A recent report by the Scientific Committee on Tobacco and Health (SCOTH)⁶ suggests non-smokers have a 24% increased risk of lung cancer from exposure to second-hand smoke. The report also highlights that second-hand smoke is a cause of heart disease and that the increased relative risk of heart disease in non-smokers from second-hand smoke is 25%. Similar results have been produced by studies from the USA. While the evidence linking second-hand smoke with lung cancer and IHD is reasonably robust, the link between second-hand smoke and the risk of suffering a stroke is more limited. Research funded by the Scottish Executive has drawn upon findings from New Zealand and the USA in estimating the number of stroke deaths in Scotland attributable to second-hand smoke. The research found that exposure to second-hand smoke increased the risk of suffering a stroke by 29% increase.
5. In Northern Ireland, it is estimated that 26% of the adult population are smokers although there is an indication that smoking prevalence is declining. Based on the results of the Northern Ireland Continuous Household Survey (CHS) it is estimated that smoking prevalence in Northern Ireland decreased from 33% in 1983 to 26% in 2004/2005. However, the CHS indicates that there is a willingness among smokers to give up with 77% of those who currently smoked saying they would like to give up.
6. The CHS also highlights the relative inequality in smoking prevalence by socio-economic group with prevalence ranging from 15% for those in the professional

⁶ Department of Health (2004), Scientific Committee on Tobacco and Health (SCOTH), *Secondhand Smoke: Review of evidence since 1998*.

socio-economic group to a level of 35% for those people employed in semi-skilled jobs.

7. To deter the uptake of smoking and to help smokers quit, the DHSSPS published a five year Tobacco Action Plan in 2003 with the overall aim of creating a tobacco-free society. The Plan provided a comprehensive programme of action to reduce the harm caused by tobacco use. Its key objectives are:
 - preventing people from starting to smoke;
 - helping smokers to quit; and
 - protecting non-smokers from tobacco smoke.

8. The third of these objectives recognises the fact that the majority of people (74% adult population and 80% of total population) in Northern Ireland do not smoke. The policy to introduce smoke-free legislation for enclosed workplaces and public places (with or without exemptions) addresses this objective by protecting non-smokers from exposure to tobacco smoke whilst outside of their own home environment. The smoke-free legislation will also assist in meeting the other two objectives of the Tobacco Action Plan in that it should encourage smokers to give up or reduce their consumption and should encourage children and young people not to start in the first place.

Options

9. For the purposes of the RIA and HIA, Option 1 will be considered the status quo option. Costs in addition to Option 1, the non-legislative option, will be detailed in the analysis.

Option 1 – Building on the existing policy of exhorting and supporting smoking cessation

Health Impact – *Active Smoking*

10. Smoking has long been recognised as a primary cause of ill-health and premature death. There is however no universally accepted list of smoking-related illnesses and, because smoking history is rarely recorded on death certificates in Northern Ireland, it is difficult to capture the full impact smoking has on the health of the population.

11. Numerous studies have been carried out which have attempted to quantify the effects of smoking on public health across the UK. However, few have provided figures specifically for Northern Ireland which has meant that UK estimates for impacts on disease and deaths have often been applied pro-rata for Northern Ireland. Using a range of UK and other research, for the purposes of the five year Tobacco Action Plan 2003-2008, DHSSPS estimated that smoking claimed between 2,700 and 3,000 lives per annum in Northern Ireland. More recent research published by the Health Development Agency⁷ suggests that smoking contributes to around 2,300 deaths per annum in Northern Ireland. In the interests of conservatism, so as not to over estimate the potential gains of reduced smoking prevalence, the figure of 2,300 smoking related deaths per annum has been used as the basis for this report.

12. Smoking prevalence has decreased on average around 2% per annum over the period 1990/91 to 2004/05. For the purposes of Option 1, it is therefore assumed that, if the existing policy of exhorting and supporting smoking cessation is built upon, the current trend is likely to be maintained.

⁷ L. Twigg, G. Moon & S. Walker (2004) The smoking epidemic in England *Health Development Agency*

Impact on Business

13. DHSSPS carried out a survey of over 3,600 businesses to assess the extent to which they had smoking policies in place for their employees and the public entering their premises. Of the organisations surveyed, 79% had some sort of smoking policy with 57% of these prohibiting smoking anywhere on the premises. 23% of those with a smoking policy permitted smoking only in enclosed designated areas while a further 19% permitted smoking in unenclosed designated areas.
14. The survey showed almost 55% of businesses continue to permit some degree of smoking on their premises. To try and ascertain the effect of current Government policy over the next year, those businesses without a smoking policy were asked whether they intended to introduce one. Almost 11% planned to introduce a smoking policy within the next year with around half of these saying smoking would be prohibited everywhere on the premises. A further 35% of those planning to introduce a policy within the next year stated that the new policy would restrict smoking to designated areas or rooms.
15. While the results of the survey indicate that a substantial amount of businesses have a smoking policy, even when the businesses which state they intend to introduce a total restriction on smoking over the next year are included, there will be around 50% of businesses which permit smoking on their premises. This means around half of the non-smoking workforce could potentially be exposed to second-hand smoke.
16. The force with which smoking policies are implemented have an impact on their effectiveness. Two thirds of the organisations with a policy said they would issue a verbal warning to staff who did not adhere to policy. Less than 10% said they would start formal proceedings while a quarter stated that no action would be taken.

17. For Option 1, it has been concluded that current policy would not produce any significant change in the number of new firms implementing a smoking policy over the course of the next year. Therefore, no additional benefits have been counted for this option.

Option 2 – Smoke-free legislation for all enclosed workplaces and public places with exemption for pubs and clubs which do not prepare or serve food.

18. The main risk with this option is that food-led licensed premises may make a choice to give up serving food in favour of allowing smoking on their premises. It is difficult to anticipate what the precise reaction of bar and club owners who currently prepare and serve food will be to smoke-free legislation with exemptions for those who do not. While some may give up serving food, it is likely that others who will choose to have smoke-free premises and retain the catering side of their business. There are currently no comprehensive figures for the number of pubs and clubs in Northern Ireland that prepare and serve food. Therefore, for the purposes of this analysis, it is assumed that all pubs will be exempt from the legislation.

Health Impact - Active Smoking

19. In assessing the health impact of a policy on smoking in Northern Ireland, the results of a study which was carried out for the Scottish Executive and NHS Health Scotland, have been adapted for Northern Ireland. The research conducted by the Health Economics Research Unit (HERU)⁸ and Department of Public Health, University of Aberdeen attempted to quantify the health and economic consequences of the introduction in Scotland of a complete ban on

⁸ A Ludbrook, S. Bird & E. Van Teijlingen (2004) "International Review of the Health Economic Impact of the Regulation of Smoking in Public Places" *Health Economics Research Unit (HERU)*.

smoking in enclosed workplaces and public places. Due to the wide range of estimates and the level of uncertainty around estimates of the benefit of reduced smoking, the report was particularly conservative in its assessment of the possible health gains of reduced smoking prevalence. This conservatism is therefore a feature of this report's estimates.

20. It is likely smoke-free legislation which allows an exemption for pubs and clubs which do not prepare and serve food will have lesser positive effect on the numbers of people who smoke than smoke-free legislation for all enclosed workplaces and public places. A survey in Scotland of smoking habits⁹ showed that 64% of individuals reported that they are exposed to passive smoking and of those surveyed 10% reported that they were exposed to passive smoking in pubs. This equates to 15.6% of people exposed to passive smoking, being exposed in pubs.
21. In the absence of similar data for Northern Ireland it has been assumed the degree of exposure and places of exposure to second-hand smoke in Northern Ireland are similar to those in Scotland. This figure has then been used to estimate the potential change of health and economic impacts of smoke-free legislation with exemptions for pubs and clubs not serving food relative to comprehensive smoke-free legislation.
22. It is assumed smoke-free legislation with the exemptions outlined above would result in an additional annual fall of 1.69%¹⁰ in smoking prevalence in Northern Ireland. If this is applied to the estimated number of deaths from lung cancer, ischaemic heart disease and stroke associated with active smoking, it is estimated this policy would avert 23 deaths per annum. It will take time for the full effect on the number of deaths averted to materialise. Therefore, for the

⁹ Scottish Executive (1991) *Scottish Health Survey 1998*

¹⁰ It is assumed an additional 2% per annum reduction in smoking prevalence would result from legislation covering all workplaces and enclosed public places. $1.69\% = 2\% * (100 - 15.6)\%$

purposes of this document, it is assumed the full benefits will accumulate over 20 years.

23. There is evidence to show that smoking can contribute to a range of other circulatory and respiratory diseases¹¹ in addition to lung cancer, IHD and stroke. Applying the assumption of 1.69% reduction in smoking prevalence, it is estimated that 16 deaths per annum associated with these additional diseases could be averted by a smoke-free policy. Therefore, the total number of deaths associated with active smoking which could be averted by a smoke-free policy, with exemptions, is estimated to be 39.

Health Impact – *Second-hand Smoking*

24. For second-hand smoking, the “cause specific” number of deaths has been estimated. This is calculated using a population attributable risk factor applied to the incidence of lung cancer, IHD and stroke¹². It is estimated that annually in Northern Ireland there are 278 deaths associated with second-hand smoking. Of these, around 13 deaths can be attributed solely to exposure to second-hand smoke in the workplace.
25. There is some risk that smoke-free legislation for all enclosed workplaces and public places will merely displace social smoking, particularly from the hospitality sector, to the home. However, evidence is emerging that this is not the case. A recent report from the Royal College of Physicians “*Going Smoke-Free: The Medical Case for Clean Air at Home, at Work and in Public Places, July 2005*” shows that, as the number of smoke-free workplaces has increased, so has the number of smoke-free homes. This is backed up by figures from the Republic of

¹¹ Royal College of Physicians (2000) A report of the tobacco advisory group of the Royal College of Physicians.

¹² K. Jamrozik (2005) Estimate of deaths attributable to passive smoking among UK adults: database analysis, *British Medical Journal*.

Ireland which suggest that the number of smoke-free homes has increased by 5% in the year since the smoking ban was introduced¹³.

26. Smoke-free legislation which permits exemptions for pubs and clubs, as outlined above, would undoubtedly deliver an increased number of smoke-free premises in comparison with Option 1 and would lead to a reduction per annum in the number of deaths due to second-hand smoking. However, bars and clubs are places where there is particularly heavy exposure to second-hand smoke and the number of deaths averted would be lower than with comprehensive smoke-free legislation. The extent of the reduction will be dependant on the number of pubs and clubs which adopt a smoke-free policy. Given the absence of information on this we have assumed, that all hotels and restaurants will be smoke-free while all pubs and clubs will not. It is calculated that 10 workplace deaths per annum will be averted under Option 2.

HPSS Resource Savings

27. The primary resource savings to the NHS from smoke-free legislation with exemptions for some pubs and clubs would accrue from the reduction in hospital costs associated with treating the main diseases linked to active and second-hand smoking, i.e. of lung cancer, IHD and stroke. For the purposes of the HIA, the total costs of smoking-related diseases are assumed to be those associated with elective and non-elective in-patient treatment, day case attendances at hospitals, rehabilitation, critical care, out-patient visits, chemotherapy, radiotherapy and palliative care.
28. For second-hand smoking, the expected monetary savings in Northern Ireland have been derived by applying the reduction in mortality expected from the

¹³ “Domestic twist on workplace smoking bans”. Environmental Health News (22 July 2005).

reduced exposure to second-hand smoke¹⁴ to the annual costs of treating the main smoking-related diseases¹⁵ (as there is evidence to show that a reduction in second-hand smoking will have a similar impact on morbidity rates as it does on mortality rates). Based on the relevant Northern Ireland hospital costs for 2003/2004, the annual savings from a reduction in second-hand smoking due to the smoke-free legislation (with exemption for some pubs and clubs) is estimated at £2.2m. However, it is likely that the full impact on treatment costs may take around 20 years to be realised.

29. Cost savings from reduced active smoking can be derived in a similar way to those for second-hand smoking. The annual cost for treating active smokers for the main smoking-related diseases is approximately £30m (2003/2004). Using the previous assumption of a further 1.69% reduction in smoking prevalence, (with benefits accumulating over an average 20 year period) the smoke-free policy (with exemptions noted above) would yield estimated annual savings in hospital costs of £0.51m.

30. The analysis for active smoking can also be extended beyond the costs of treating lung cancer, IHD and stroke to include the costs of treating other circulatory and respiratory diseases of which smoking has been a contributory factor. The estimated hospital costs associated with these additional active smoking-related diseases is approximately £44m. Again using the assumption of an additional 1.69% reduction in smoking prevalence, the estimated annual savings in terms of hospital costs associated with treating these additional active smoking-related diseases is £0.74m. Therefore the total annual savings in terms of hospital costs associated with smoke-free legislation with exemptions for some pubs and clubs is estimated to be £1.25m.

¹⁴ A. Ludbrook, S. Bird & E. van Teijlingen (2004) "International Review of the Health and Economic Impact of the Regulation of smoking in Public Places" *Health Economics Research Unit (HERU)*.

¹⁵ Performance Review Unit, DHSS&PS

Economic Impact

31. The economic impact, of a smoke-free policy, on the non-domestic sector, has been primarily assessed by estimating the impact upon turnover within the hospitality sector. A wider analysis also attempts to assess the knock-on effect for the whole economy by estimating the multiplier effects that might result from changes in expenditure within the hospitality sector.
32. The HERU³ report examined a number of studies which modelled the effect on the hospitality sector of several countries, following the introduction of smoking restrictions. These models were then used to estimate the possible effect of a complete ban on smoking in enclosed public places on the hospitality sector in Scotland.
33. The survey evidence for the possible economic effects following the introduction of smoke-free legislation is not as robust as the evidence available for the health effects. Therefore, the HERU³ methodology has been replicated for Northern Ireland, with one exception, that of bars. The HERU³ estimate for the possible effect on the turnover of bars was based on just one study; therefore a more prudent view of the potential impact of a smoke-free policy has been adopted. The Scottish Executive estimate was largely adopted, which assumes a zero change on the turnover of bars following a total ban, rather than the positive impact which would result from using the HERU³ method. However, the model has been further adapted to reflect the assumption that exemptions for some pubs and clubs could shift spending from other areas of the hospitality sector that are subject to the legislation i.e. hotels and restaurants, to the pubs and clubs which are exempt.

Table 1: Potential Impact of Smoke Free Legislation (with exemption for Pubs and Clubs who do not prepare and serve food), on Hospitality Sector Turnover (NIABI 2003)

	Central Estimate £000's	Low Estimate £000	High Estimate £000's
Hotels	-3,609	-8,554	1,337
Restaurants	1,083	-5,718	7,841
Bars	722	2,854	0
Total	-1,804	-11,418	9,177
Total Sector Turnover (2003)	1,154,498	1,154,498	1,154,498
% of Turnover	-0.16%	-0.99%	0.79%

34. The table sets out the potential impact of smoke-free legislation on the turnover of the hospitality sector in Northern Ireland (it is derived from HERU³ and the Scottish Executive methodology). For the central estimate it has been assumed that 20%¹⁶ of the reduced spending from hotels is transferred to bars. It is assumed the predicted increase in sales in restaurants is due to people preferring the smoke-free atmosphere of restaurants to that of bars, therefore no additional adjustment has been made. For the low estimate, it has been assumed that 20% of the reduced spending in both restaurants and hotels has transferred to bars. For the high estimate, it is assumed that people prefer the smoke-free atmosphere of hotels and restaurants to that of bars. A zero change has been applied to bars as it is assumed patrons who dislike the smoke-free policy of hotels and restaurants compensate any negative effect of bars choosing not to be smoke-free.

¹⁶ It is recognised that while hotel expenditure is not fully transferable to the other areas of the sector it is assumed some people who would have gone to a hotel prior to the introduction of smoking restrictions would choose to go to a bar or pub without a restriction on smoking. 20% is a relatively arbitrary estimate.

35. The central estimate for Option 2 projects a £1.8m decrease in turnover, equivalent to a 0.16% decrease in total turnover in the hospitality sector. This would be equivalent to a **loss** of 64 direct jobs.
36. Unlike Scotland, Northern Ireland does not have an input-output model with which to estimate the knock-on effects of the potential changes in consumption as a result of smoking legislation in public places for each of the scenarios. Scotland's input – output model would suggest a backward linkage multiplier of around 1.07 for the Scottish hospitality sector. While this figure is not fully transferable to Northern Ireland it could be used to give an indication of the likely magnitude of the multiplier effect.
37. The backward linkage multiplier captures the benefits to supplier firms, in the Region, which result from the activities of another firm or sector. In this case we are trying to capture the effect on firms supplying the hospitality sector, which could include firms such as drink and food suppliers; there may also be longer term effects on other service suppliers such as outfitters and decorators. The purchases the hospitality sector make from its suppliers, creates additional employment and income in the form of wages to employees and profits to the owners of other firms in Northern Ireland. Therefore, if turnover changes in the hospitality sector as a result of smoking legislation, there is likely to be a secondary, though relatively smaller effect, on other firms throughout the Region. This is known as the backwards linkage multiplier.
38. There have been a number of attempts to calculate multiplier effects for Northern Ireland. The multiplier estimates for the Region have primarily been calculated for industrial development expenditure and have ranged from 1.7¹⁷ to 1.4¹⁸ for

¹⁷ Northern Ireland Economic Council Report No 56 February 1986 "Economic Strategy: Industrial Development linkages

¹⁸ Bond (1990) "Dynamic regional multipliers and the economic base: an application of applied econometric techniques

global multipliers, 1.1¹⁹ to 1.3¹³ for consumption multipliers with only one estimate made for a backward linkage multiplier, 1.3¹³. These multipliers are not fully transferable to the hospitality sector, as this sector will have significantly different supplier profiles than the manufacturing firms for which they were derived. Nevertheless they can, again, be used to illustrate the magnitude of possible effects on jobs in the economy as a whole.

39. Given the range of the multipliers for Northern Ireland and taking into consideration the magnitude of Scotland's implied multiplier, it was decided to use the consumption multiplier estimates (1.1 – 1.3) to illustrate the possible impact of the legislation on Northern Ireland's economy. If Northern Ireland's hospitality sector multiplier was at the upper end of the consumption multiplier a total of 83 jobs could be **lost** to the local economy due to the additional lost output in key supplier and business services for the hospitality sector. At the lower end of the multiplier estimate the local economy could expect a **loss** of 70 jobs.
40. These results assume that expenditure reductions in the hospitality sector are not spent elsewhere in the economy. Economic theory suggests that consumers are likely to switch consumption to other consumer goods in the economy. If it is assumed that all the expenditure goes to the retail sector, the net **loss** in terms of jobs would be between 40 and 57. (Again depending on which end of the multiplier the retail sector lies).
41. Given the less robust nature of the survey evidence which has been used to estimate the impact on the hospitality sector, it is necessary to examine the high and low estimates. The net effect on jobs in the economy is estimated to be as much as a **loss** of 361 jobs (low estimate) to an **increase** of 290 jobs (high estimate).

¹⁹ PACEC (1991) "The employment effect of Public Expenditure in Northern Ireland" unpublished report commissioned by DFP

Benefits to Business

42. It is likely that the introduction of a smoke-free policy would result in productivity gains for Northern Ireland's non-domestic sector, arising from less time spent on smoking breaks. Based on research evidence from a survey of existing smoking policies in workplaces in Scotland and subsequent analysis by the Scottish Executive (which was net of any additional breaks that would take place in workplaces where there are presently no restrictions), it is estimated that a smoke-free policy (with exemptions for some pubs and clubs) in Northern Ireland would result in a saving in productive time of £23.8m per annum (based on the number employed in local units in Northern Ireland relative to Scotland).
43. It is expected that a smoke-free policy would also reduce productivity losses due to sickness absence associated with smoking-related diseases such as heart disease and asthma. Adopting a similar methodology as outlined in the HERU³report, it is estimated savings of around £0.44m per annum will be generated in Northern Ireland.
44. A restriction on smoking in public places with the exemption of certain pubs and clubs is likely to be associated with a reduction in fire hazards and reduced cleaning and decorating costs. It is estimated there would be a resource saving of £3.9m per annum (based on the number employed in local units in Northern Ireland relative to Scotland).

Costs to the Northern Ireland Administration

45. A communications programme will have to be developed to raise awareness about a change in legislation in relation to smoking in public places and in turn encourage compliance and support for the legislation. The cost associated with the communications programme is estimated to be £0.39m²⁰.

²⁰ The Health Promotion Agency for Northern Ireland.

46. The cost of establishing a compliance phone line to assist with the enforcement of the legislation by handling information calls, queries and complaints will be in the region of £100,000 in year 1 and £50,000 in year 2. Given the experience in the Republic of Ireland (ROI) the need for this service will be monitored and reviewed after the first year. The majority of calls to the ROI Smoke-Free Compliance Line were received in the first months of its set up. After the initial period calls declined to around 40-50 per week. This level of calls is unlikely to justify a dedicated phone line and so the service will be reviewed to assess the most efficient way of providing the information being sought.
47. Under Option 2 it is likely a compliance phone line would receive more calls than under a more comprehensive policy covering all enclosed workplaces and public places. This is due to the more complex rules surrounding the exemptions. It is likely there would be more calls both by publicans seeking advice on whether their premises were exempt or not and by the members of the public who may be unclear as to whether specific pubs are complying with the legislation. The volume of calls is thought not likely to impact significantly on the cost of setting up the service and the estimate above is assumed to be adequate.
48. The introduction of comprehensive smoke-free legislation is likely to increase the quit attempts of smokers both as a result of the increased difficulty in being able to smoke in workplaces and public places and also as a result of increased health awareness. The number of people seeking Nicotine Replacement Therapy (NRT) in Northern Ireland is likely to increase in line with quit attempts. Therefore, in the first year of legislation, expenditure on NRT is estimated to increase by 2.5 times the current level of expenditure (£2.4m). In the second year, quit attempts are expected to fall off but to continue to be above current levels. Therefore, it is estimated they will be 1.75 times existing expenditure. The additional expenditure on NRT associated with Option 2 would therefore be £3.6m in year 1 and £1.8m in year 2.

49. The impact of the smoking policy would be monitored on an ongoing basis and the policy subsequently evaluated to establish the extent to which the policy has impacted upon the level of exposure to second-hand smoke in workplaces and public places. The cost associated with monitoring and evaluating the policy is estimated to be in the region of £250,000.

Costs to the UK Exchequer

50. Based on the assumption that there would be an additional 1.69% reduction in smoking prevalence due to smoke-free legislation, with exemption for some pubs and clubs, it has been calculated that revenue from duty on tobacco could fall by £5.2m. However, a reduction in consumer spending on tobacco is likely to be offset by an increase in expenditure elsewhere in the economy with broadly equivalent macro-economic effects. The effect is likely to be distributional in that the losses to the exchequer are offset by gains elsewhere in the economy.

Costs to District Councils

51. District councils are likely to have responsibility for enforcing the legislation associated with a smoke-free policy (with exemptions). The costs associated with enforcement Legislation is estimated to be in the region of £0.3m per annum. It is also likely that District council staff will be involved in an educational and advisory role for approximately a year prior to, and a year following, any legislation being introduced. The cost of this function is estimated to be £0.2m per annum.

Costs to Other Bodies, Individuals and Business

52. The signage for the hospitality sector is estimated to be in the region of £185,500 based on 3,710 enterprises at a cost per enterprise of £50¹⁶. While pubs and

clubs which do not serve food will be exempt from the legislation, they are likely to still require signage to denote smoking is permitted on the premises. No costs of signage have been included for businesses outside of the hospitality sector.

Option 3 – A smoke-free policy for all enclosed workplaces and public places

Health Impact - *Active Smoking*

53. Using the HERU³ methodology it has been assumed that a comprehensive smoke-free policy would result in an additional fall of 2% per annum in smoking prevalence in Northern Ireland. Based on calculations of smoking-related deaths in Northern Ireland, it is therefore estimated that a smoke-free policy could be expected to avert 27 deaths per annum due to active smoking, specifically associated with lung cancer, IHD and stroke. As in the case of Option 2, it is assumed that the full benefits of a decrease in smoking prevalence will be realised over 20 years.

54. There is evidence to show that smoking can contribute to a range of other circulatory and respiratory diseases in addition to lung cancer, IHD and stroke. It is estimated that 19 deaths per annum, associated with these additional circulatory and respiratory diseases, could be averted by a comprehensive smoke-free policy. Therefore, the total number of active smoking-related deaths estimated to be averted by a comprehensive smoke-free policy would be 46 deaths per annum.

¹⁶ The cost per enterprise of £50 per signage is based on the regulatory impact assessment prepared for the smoking consultation in Scotland.

Health Impact – *Second-hand Smoking*

55. It is estimated that there are 278 deaths in Northern Ireland annually as a result of lung cancer, IHD and stroke²² associated with second-hand smoking. Of these, 13 deaths can be attributed solely to exposure to second-hand smoke in the workplace. Therefore a policy which introduces comprehensive controls on smoking in the workplace and public places will avert 13 deaths per annum.

HPSS Resource Savings

56. As in the case of smoke-free legislation with exemptions, the primary resource savings to the NHS from a more comprehensive smoke-free policy would accrue from the reduction in hospital costs associated with treating the main diseases linked to active and second-hand smoking i.e. lung cancer, IHD, Stroke.
57. The same methodology has been applied to Option 3 as that adopted in Option 2 i.e. the estimated percentage reduction in mortality from reductions in exposure to second-hand smoke is applied to the estimated total hospital costs associated with treating lung cancer, IHD and stroke²³. Using the hospital costs for 2003/04, the annual savings from a reduction in second-hand smoking is estimated at £2.6m. Again, the impact on costs is assumed to take around 20 years to be fully realised.
58. In Northern Ireland, the estimated cost of treating active smokers for the main smoking-related diseases is £30m (2003/04). Using the previous assumption of a further 2% per annum reduction in smoking prevalence, a smoke-free policy would bring savings of £0.6m per annum. Again, it is assumed these benefits will take 20 years to fully accumulate.

²² K Jamrozik (2005) Estimate of deaths attributable to passive smoking among UK adults; database analysis, *British Medical Journal*

²³ A. Ludbrook, S. Bird & E. van Teijlingen (2004) "International Review of the Health and Economic Impact of the Regulation of smoking in Public Places" *Health Economics Research Unit (HERU)*.

59. Once again the analysis can be extended to include the costs of treating other circulatory and respiratory diseases of which active smoking has been a contributory factor. The total hospital costs associated with these additional diseases is £44m (based on the applicable total Northern Ireland hospital costs for 2003/2004). Annual savings of £0.9m would be expected with the introduction of Option 3 (with benefits accumulating over an average 20 year period). Therefore, for active smoking, the estimated total savings in hospital costs associated with Option 3 is £1.5m.

Economic Impact

60. The economic impact of a comprehensive smoke-free policy on the non-domestic sector, has been primarily assessed by estimating the impact upon turnover within the hospitality sector and by estimating the associated multiplier effects. It has been arrived at by adapting the methodology developed by HERU³ for the Scottish Executive to estimate the impact of smoke-free legislation in Scotland.
61. Under Option 2, it was felt that the positive impact estimated for bars by the HERU³ study was too optimistic and so a more prudent view was adopted. The methodology was further adapted so as to capture possible shifts in spending between those hospitality businesses which would be exempt from the legislation and those which would not. Under Option 3, it is assumed there will be no transfer of business between the hospitality businesses as the legislation will apply equally to all pubs, clubs, hotels and restaurants. Therefore only the first change has been made to the methodology. Table 2 sets out the results of the analysis.

Table 2: Potential Impact of Smoke-free Legislation on Hospitality Sector Turnover (NIABI 2003)

	Central Estimate £000's	Low Estimate £000	High Estimate £000's
Hotels	-3,609	-8,554	1,337
Restaurants	1,083	-5,718	7,841
Bars	0	-18,980	33,416
Total	-2,526	-33,252	42,593
Total Sector Turnover (2003)	1,154,498	1,154,498	1,154,498
% of Turnover	-0.2%	-2.9%	3.7%

62. The central estimate projects a £2.5m decrease in turnover, equivalent to a 0.2% decrease in total turnover, in the hospitality sector. This would be equivalent to a loss of 90 direct jobs.
63. Again, using the consumption multiplier set out for Option 2, as illustrative of the possible magnitude of multiplier effects, at the upper end a total of 116 jobs could be **lost** in the local economy due to the additional lost output in key supplier and business services for the hospitality sector. At the lower end of the multiplier a **loss** of 99 jobs would be expected.
64. As for Option 2, this assumes that expenditure reductions in the hospitality sector are not spent elsewhere in the economy. Economic theory suggests otherwise and it is once again assumed that all expenditure goes to the retail sector. The net **loss** in terms of jobs would be between 55 and 80. (Again depending on which end of the multiplier the retail sector lies).

65. Again, as for Option 2, given the less robust nature of the survey evidence for the impact on the hospitality sector, it is necessary to examine the high and low estimates. The net effect on the economy could be as much as a **loss** of 1,052 jobs (low estimate) to an **increase** of 1,348 jobs (high estimate).

Benefits to Business

66. For Option 3, it is estimated that a comprehensive smoke-free policy in Northern Ireland would result in a saving in productive time of £28.2m per annum (based on the number employed in local units in Northern Ireland relative to Scotland). The comparable figure for Option 2 is £23.8m.
67. It is further estimated that Option 3 would reduce productivity losses due to sickness absence associated with smoking-related diseases, such as heart disease and asthma, generating a saving of £0.6m per annum compared to £0.44m for Option 2.
68. A complete restriction on smoking in enclosed workplaces and public places could also be associated with a reduction in fire hazards and reduced cleaning and decorating costs. For Option 3, it is estimated that there would be a resource saving of £4.6m per annum. This compares with an estimated cost of £3.9m for Option 2.

Costs to the Northern Ireland Administration

69. The costs associated with the communications programme is estimated to be the same as Option 2 at £0.39m²⁴. Regardless of the exemptions a campaign will have to be undertaken to alert businesses and the public to their responsibilities under the new legislation.

²⁴ The Health Promotion Agency for Northern Ireland

70. The cost of establishing a compliance phone line to assist with the enforcement of the legislation by handling information calls, queries and complaints will be in the region of £100,000 in year 1 and £50,000 in year 2. As with Option 2, the need for this service will be monitored and reviewed after the first year. Under Option 3 it is likely a compliance phone line would receive less calls than under Option 2 due to the legislation applying equally to all business and public places. However, it is not assumed the overall cost of the phone line will vary significantly between the options due to the fixed nature of most of the costs associated with its setting up and maintenance.
71. In Option 2 it was estimated that the number of people seeking NRT would rise due to an increase in the number of people using smoke-free provision as an opportunity to quit. The more comprehensive the restrictions the more likely it is smokers will attempt to give up smoking. Using the rationale set out in the Scottish Executive paper, it is assumed the first year of legislation will see the number of quit attempts treble their current level with the second year seeing rates at twice the current level. The additional expenditure on NRT will therefore be £4.8m in year 1 and £2.4m in year 2.
72. The cost associated with monitoring and evaluating the policy for Option 3 is the same as for Option 2 and is estimated to be in the region of £250,000.

Costs to the UK Exchequer

73. Based on the assumption that a smoke-free policy will result in a reduction in smoking prevalence then there will be a decrease in the revenue collected from duty on tobacco. Applying the assumption of a 2% reduction in smoking prevalence it is estimated that revenue from duty on tobacco could fall by £6.2m. However, a reduction in consumer spending on tobacco is likely to be offset by an increase in expenditure elsewhere in the economy with broadly equivalent

macro-economic effects. The effect is likely to be distributional in that the losses to the exchequer will be offset by gains elsewhere in the economy.

Costs to District Councils

74. Again, as with Option 2, District councils are likely to have responsibility for enforcing the legislation associated with a smoke free policy. The cost associated with the enforcement of comprehensive controls on smoking in enclosed workplaces and public places is not thought to differ significantly from legislation with exemptions. It is likely that a similar number of people will have to be on the ground to ensure compliance. Therefore, it has been estimated that the cost to District councils of enforcing the legislation would still be in the region of £0.3m per annum with the cost of employing staff to provide advisory and educational functions estimated at £0.2m per annum (for 2 years).

Costs to Other Bodies, Individuals and Business

75. In Option 2, the cost of signage for the hospitality sector is estimated to be in the region of £185,500 based on 3,710 enterprises at an approximate cost per enterprise of £50²⁵ for signage. This cost is taken as being the same for Option 3 as all pubs and clubs will require signage. No costs for signage have been included for businesses outside the hospitality sector.

Costs and Benefits of Options

76. Table 3 shows the additional costs and benefits (over Option 1) for Options 2 and 3. Given the uncertainty around the links between some of the smoking-related diseases, two separate cost analyses have been shown. One taking account of the three main smoking-related diseases the other with all identified smoking-

²⁵ The cost per enterprise of £50 per signage is based on the regulatory impact assessment prepared for the smoking consultation in Scotland

related diseases. The Net Present Value (NPV) is considered to be the best method of illustrating the comparative benefits and costs associated with each option. The NPV shows the current day value of the stream of future costs and benefits. Option 3 has a higher positive NPV than Option 2 under both scenarios; this means that taking into consideration the benefits and costs associated with each option, Option 3 provides the greatest positive net benefits.

Table 3

Summary of Net Present Values of Option 2 and Option 3

	Three main smoking related diseases		All identified smoking related diseases	
	Option 2	Option 3	Option 2	Option 3
Health Benefits				
Economic value of lives saved	51.49	59.25	51.49	59.25
Reduced Exposure to ETS Reduced Active Smoking	104.83	123.06	177.76	209.66
Morbidity Saving (Human Cost of ill health)	131.89	156.26	131.89	156.26
Reduced Exposure to ETS Reduced Active Smoking	31.48	37.26	101.99	120.69
Resource Savings				
NHS Treatment Costs	29.36	34.67	37.38	44.42
Reduced Sickness Absence Savings	4.77	6.50	4.77	6.50
Productivity gains as a result of reduced smoking breaks	437.73	518.66	437.73	518.66
Cost savings from reduced fire hazards and reduced cleaning and decorating costs	71.73	84.60	71.73	84.60
Hospitality Sector Impacts				
	-33.29	-46.16	-33.29	-46.16
Implementation and Enforcement Costs				
Costs to the Northern Ireland Administration	-35.13	-46.75	-35.13	-46.75
Costs to Local Authorities	-5.71	-5.71	-5.71	-5.71
Total NPV	788.95	921.45	940.40	1,101.24

Distributional Effects

Tobacco Industry Impacts.

77. Northern Ireland has only one firm manufacturing tobacco products. Gallaher Ltd produces cigarettes, hand rolling tobacco and pipe tobacco. It employs around 870 people in the manufacture of tobacco products and in research and development.

Implications for Gallaher Ltd - Lisnafillan

78. Gallaher Ltd is one of the largest manufacturing companies in Northern Ireland. It claims to contribute £45m per year in wages and salaries to the local economy. All of Gallaher's UK cigarettes (around 20.2bn per annum) and tobacco products are manufactured at Lisnafillan, near Ballymena, with around half of the cigarettes produced exported to Europe and further afield.
79. As noted earlier, there has been a downward trend in smoking prevalence in Northern Ireland. Over the last 10 years smoking prevalence has decreased by an average of 2% per annum. Applying the HERU³ estimates of the effect of smoke-free legislation on smoking prevalence would double this rate to 4% per annum. A 4% fall in the demand for cigarettes in Northern Ireland would be expected to lead to a fall of around 0.1% of Gallaher's UK sales, or 0.05% of total cigarette production at Lisnafillan.
80. The HERU³ estimate of a decline in smoking prevalence was a reasonably conservative one, calculated primarily to capture possible health impacts of a ban on smoking. The evidence for positive health impacts are largely predicated on people stopping smoking, therefore the figure was an estimation of the reduction in smoking prevalence, not the quantity of cigarettes smoked. Studies examined by HERU³ showed, with the introduction of smoking restrictions, consumption of cigarettes could fall by as much as 20%. Indeed the Gallaher Group PLC Annual Report and Financial Statement 2004 reported an 11% fall in the total cigarette market in the Republic of Ireland in the first year of the introduction of a smoking ban (though Gallaher's does acknowledge there were other factors which could have reduced the market).
81. A 20% fall in the demand for cigarettes in Northern Ireland would represent just over half of one percent (0.6%) of Gallaher's UK sales. Given the proportion of Gallaher's sales this represents, it can be concluded that the introduction of a

ban on smoking in enclosed workplaces and public places in Northern Ireland is unlikely to have a significant impact on Gallaher's output and hence their profitability.

82. While the introduction of smoking restrictions in Northern Ireland will not significantly impact on Gallaher's sales, proposed restrictions for the rest of the UK, particularly England, is likely to have a measurable impact on its output. A reduction in smoking prevalence of 4% per annum in England would affect Gallaher's sales by around 3% per annum. A 20% reduction in the number of cigarettes smoked would see a 15% reduction in Gallaher's sales.
83. Gallaher's has links to the Northern Ireland economy through the employment of local people, around 800 of whom are involved in the direct manufacturing process. Raw materials are largely purchased centrally for Gallaher Group Ltd and are imported into Northern Ireland. It spends around £25m each year in Northern Ireland, mainly in the engineering and transport fields.
84. It is difficult to predict what effect restrictions on smoking in enclosed workplaces and public places in Northern Ireland will have on Gallaher's economic activity in the local economy as there would not be a straight line relationship between its production and expenditure in Northern Ireland. Given the relatively small effect on Gallaher's overall sales, that a ban on smoking in Northern Ireland would have, it is assumed the overall economic effect on Northern Ireland would be negligible. Comprehensive restrictions in the rest of the UK would, once again, be expected to have a greater impact. If it is assumed that its market penetration remains at the same level, it is likely Gallaher would reduce its production of UK branded cigarettes. It is also possible it would reduce the amount spent on transportation and associated services to the rest of the UK.
85. While restrictions on smoking in enclosed workplaces and public places in Northern Ireland is unlikely to have a significant impact on Gallaher's sales and

revenue, it is likely to impact on Gallaher's ability to test lit tobacco in its research and development (R&D) facility. Because the R&D facility is classified as an enclosed workplace it would be subject to the restriction regardless of whether Option 2 or Option 3 was implemented. R&D jobs are usually an indicator of a company's commitment to a location. The jobs tend to be highly specialised in nature and provide a pool of skills for the company which could not easily be obtained elsewhere at a reasonable cost and within a reasonable time scale. Without the R&D facility, Gallaher's operations would consist largely of manufacturing jobs which could make the plant more mobile in terms of its overall location.

86. The impact of smoke-free legislation for enclosed workplaces and public places could therefore ultimately lead to the closure of Gallaher Ltd in Lisnafillan. This would not be due to the potential fall in sales resulting from smoking restrictions but, by outlawing some of the activities of the R&D facility, it may no longer be viable to have R&D activities on the site. This in turn would make the whole operation more mobile and more likely for the company to seek lower production costs elsewhere.
87. If the plant were to close, the impact on the area would be quite significant. It is assumed all those working in Gallaher's live within the Ballymena Travel To Work Area (TTWA), and the claimant count (those claiming Job Seekers Allowance (JSA)) is used as an indicator of unemployment²⁶. In December 2005, 983²⁷ people, representing 1.9% of the working age population, were claiming JSA in the Ballymena TTWA. This compares 2.6% for Northern Ireland as a whole. Under the **worst case** scenario, if Gallaher's were to close and none of the staff were to find jobs elsewhere, the claimant count rate in the Ballymena TTWA would almost double. This would push the percentage claimant count from the

²⁶ It should be borne in mind the limitations of this definition as a measure of unemployment

²⁷ Monthly Labour Market Report (January 2006) *Department of Enterprise and Investment*

4th lowest in Northern Ireland to the 3rd highest and significantly above the Northern Ireland average.

88. On a policy wide level, the Department has concluded that there would be no disproportionate impact on any of the Section 75 categories with the introduction of a comprehensive smoke-free policy. However as there is a potential differential impact on the tobacco industry it is necessary to consider the Section 75 categories in this context.
89. Given that the tobacco industry comprises of only one company in Northern Ireland, it is not possible to obtain specific information on many of the Section 75 categories. The only information obtainable was that on community background.

Table 3: Community Background of Monitored Workforce²⁸

	Roman Catholic	Protestant
Northern Ireland	[42.3]% ²⁹	[57.7]% ²⁴
Gallaher Ltd	[14.5]% ²⁴	[85.5]% ²⁴

90. Table 3 shows the closure of Gallaher Ltd would have a significant negative equality impact on Protestants compared to the Northern Ireland monitored workforce.

Retail Sector Impacts

91. Based on an estimated 1.69 to 2% reduction in smoking prevalence due to smoke-free legislation, there is likely to be some impact on the retail sector in

²⁸ Fair Employment Monitoring Report No 15. A Profile of the Northern Ireland Workforce – Summary of Monitoring Returns 2004. *Employment Commission for Northern Ireland.*

²⁹ Percentages exclude those whose community background could not be determined.

Northern Ireland. However, as the retail mark-up accounts for a relatively small amount of tobacco sales, the impact will be relatively small. Indeed, it is likely any reduction in expenditure on tobacco would be substituted for spending elsewhere in the economy, some of which may be on other consumer goods from the retail sector. The proposed legislation may however, impact disproportionately on certain businesses such as specialist tobacco suppliers.

Small and Rural Business

92. The impact on small and rural businesses has also been considered. Small businesses will be invited to comment on the possible impact of the policy. During the consultation process, the policy will apply equally to urban and rural businesses. There is no evidence at present to suggest there will be a disproportionate effect on rural businesses however this conclusion will be subject to consultation.

Appendix i

Net Present Cost Analysis

Option 2 Cont.

Additional Costs / Savings over Option 1 (£m)

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
3.37	3.58	3.79	4.00	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47
7.74	8.22	8.71	9.19	9.68	9.68	9.68	9.68	9.68	9.68	9.68	9.68	9.68	9.68	9.68
9.74	10.35	10.96	11.56	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17
2.32	2.47	2.61	2.76	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91
2.17	2.30	2.44	2.57	2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71
0.35	0.37	0.40	0.42	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44
23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8
3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8
-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8
-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
49.4881	51.0936	52.6991	54.305	57.1721	57.172	57.1721	57.1721	57.172	57.172	57.1721	57.1721	57.1721	57.1721	57.1721
0.5767	0.5572	0.5384	0.5202	0.5026	0.4856	0.4692	0.4533	0.438	0.4231	0.4088	0.395	0.3817	0.3687	0.3563
28.54	28.47	28.37	28.25	28.73	27.76	26.83	25.92	25.04	24.19	23.37	22.58	21.82	21.08	20.37
436.16	464.63	493.00	521.25	549.99	577.75	604.57	630.49	655.53	679.72	703.09	725.68	747.50	768.58	788.95
														788.95

Table 2: Option 3 Smoke-Free Legislation (3 Main Smoking Related Diseases)

Additional Costs/Savings over Option 1 (£m)

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Health Benefits																	
Economic value of lives saved			0.27	0.55	0.82	1.09	1.37	1.64	1.91	2.19	2.46	2.73	3.01	3.28	3.55	3.83	4.10
Reduced Exposure to ETS																	
Reduced Active Smoking			0.57	1.14	1.70	2.27	2.84	3.41	3.98	4.54	5.11	5.68	6.25	6.81	7.38	7.95	8.52
Morbidity Saving			0.72	1.44	2.16	2.88	3.61	4.33	5.05	5.77	6.49	7.21	7.93	8.65	9.37	10.10	10.82
(Human Cost of ill health)			0.17	0.34	0.52	0.69	0.86	1.03	1.20	1.38	1.55	1.72	1.89	2.06	2.24	2.41	2.58
Reduced Exposure to ETS																	
Reduced Active Smoking																	
Resource Savings																	
NHS Treatment Costs		0.16	0.32	0.48	0.64	0.8	0.96	1.12	1.28	1.44	1.6	1.76	1.92	2.08	2.24	2.4	
Reduced Sickness Absence Savings		0.03	0.06	0.09	0.12	0.15	0.18	0.21	0.24	0.27	0.3	0.33	0.36	0.39	0.42	0.45	
Productivity gains as a result of reduced smoking breaks		28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	
Cost savings from reduced fire hazards and reduced cleaning and decorating costs		4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	
Hospitality Sector Impacts																	
		-2.69	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	
Implementation and Enforcement Costs																	
Costs to the Northern Ireland Administration																	
Communications programme		-0.39															
Compliance phone line		-0.1	-0.05														
Nicotine Replacement Treatment		-4.8	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	
Monitoring and Evaluation			0.25														
Costs to Local Authorities																	
Enforcement		-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
Associated advisory and educational functions	-0.2	-0.2															
Total undiscounted	-0.2	26.25	31.65	33.37	35.30	37.22	39.15	41.07	43.00	44.92	46.84	48.77	50.69	52.62	54.54	56.47	
Discount factor	1	0.9662	0.9335	0.9019	0.8714	0.842	0.8135	0.786	0.7594	0.7337	0.7089	0.6849	0.6618	0.6394	0.6178	0.5969	
Net Present Value (Annual)	-0.2	25.36	29.54	30.10	30.76	31.34	31.85	32.28	32.65	32.96	33.21	33.40	33.55	33.64	33.70	33.70	
Net Present Value (Cumulative)		25.16	54.71	84.81	115.56	146.90	178.75	211.03	243.68	276.64	309.85	343.25	376.80	410.44	444.13	477.84	
Total NPV																	

Option 3 Cont.

Additional Costs / Savings over Option 1 (£m)

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
4.37	4.65	4.92	5.20	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47
9.09	9.65	10.22	10.79	11.36	11.36	11.36	11.36	11.36	11.36	11.36	11.36	11.36	11.36	11.36
11.54	12.26	12.98	13.70	14.42	14.42	14.42	14.42	14.42	14.42	14.42	14.42	14.42	14.42	14.42
2.75	2.92	3.09	3.27	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44
2.56	2.72	2.88	3.04	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
0.48	0.51	0.54	0.57	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2
4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50
-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4
-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
58.39	60.31	62.24	64.16	66.09	66.09	66.09	66.09	66.09	66.09	66.09	66.09	66.09	66.09	66.09
0.5767	0.5572	0.5384	0.5202	0.5026	0.4856	0.4692	0.4533	0.438	0.4231	0.4088	0.395	0.3817	0.3687	0.3563
33.67	33.61	33.51	33.38	33.22	32.09	31.01	29.96	28.95	27.96	27.02	26.10	25.23	24.37	23.55
511.51	545.12	578.63	612.01	645.22	677.31	708.32	738.28	767.23	795.19	822.21	848.31	873.54	897.90	921.45
														921.45

**Table 3: Option 2 Smoke-Free Legislation with Exemption for Pubs and Clubs which Serve Food
(All Identified Smoking Related Diseases)**

Year	Additional Costs / Savings over Option 1 (£m)															
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Health Benefits																
Economic value of lives saved		0.21	0.42	0.63	0.84	1.05	1.26	1.47	1.68	1.89	2.10	2.31	2.52	2.73	2.94	3.16
	Reduced Exposure to ETS															
	Reduced Active Smoking	0.82	1.64	2.46	3.28	4.10	4.92	5.74	6.56	7.38	8.20	9.02	9.84	10.66	11.48	12.30
Morbidity Saving		0.61	1.22	1.83	2.43	3.04	3.65	4.26	4.87	5.48	6.09	6.69	7.30	7.91	8.52	9.13
(Human Cost of ill health)	Reduced Exposure to ETS															
	Reduced Active Smoking	0.47	0.94	1.41	1.88	2.35	2.82	3.29	3.77	4.24	4.71	5.18	5.65	6.12	6.59	7.06
Resource Savings																
NHS Treatment Costs		0.17	0.35	0.52	0.69	0.86	1.04	1.21	1.38	1.55	1.73	1.90	2.07	2.24	2.42	2.59
Reduced Sickness Absence Savings		0.02	0.04	0.07	0.09	0.11	0.13	0.15	0.18	0.20	0.22	0.24	0.26	0.29	0.31	0.33
Productivity gains as a result of reduced smoking breaks		23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8
Cost savings from reduced fire hazards and reduced cleaning and decorating costs		3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Hospitality Sector Impacts																
		-1.99	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8
Implementation and Enforcement Costs																
Costs to the Northern Ireland Administration																
<i>Communications programme</i>		-0.39														
<i>Compliance phone line</i>		-0.1	-0.05													
<i>Nicotine Replacement Treatment</i>		-3.6	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8
Monitoring and Evaluation			0.25													
Costs to Local Authorities																
<i>Enforcement</i>		-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
<i>Associated advisory and educational functions</i>	-0.2	-0.2														
Total undiscounted cost	-0.2	23.4289	28.609	30.713	33.018	35.322	37.6264	39.931	42.235	44.54	46.844	49.1485	51.4529	53.757	56.0617	58.3661
Discount factor	1	0.9662	0.9335	0.9019	0.8714	0.842	0.8135	0.786	0.7594	0.7337	0.7089	0.6849	0.6618	0.6394	0.6178	0.5969
Net Present Value (Annual)	-0.2	22.64	26.71	27.70	28.77	29.74	30.61	31.39	32.07	32.68	33.21	33.66	34.05	34.37	34.63	34.84
Net Present Value (Cumulative)		22.44	49.14	76.84	105.62	135.36	165.97	197.35	229.42	262.10	295.31	328.97	363.02	397.40	432.03	466.87
Total NPV																

Option 2 Cont. (All Identified Smoking Related Diseases)

Additional Costs and Benefits Over Option 1 (£m)

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
3.37	3.58	3.79	4.00	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47
13.12	13.95	14.77	15.59	16.41	16.41	16.41	16.41	16.41	16.41	16.41	16.41	16.41	16.41	16.41
9.74	10.35	10.96	11.56	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17	12.17
7.53	8.00	8.47	8.94	9.41	9.41	9.41	9.41	9.41	9.41	9.41	9.41	9.41	9.41	9.41
2.76	2.93	3.11	3.28	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45
0.35	0.37	0.40	0.42	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44
23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8
3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8
-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8
-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
60.6705	62.9749	65.2793	67.584	71.1502	71.15	71.1502	71.1502	71.15	71.15	71.1502	71.15015	71.15015	71.1502	71.1501504
0.5767	0.5572	0.5384	0.5202	0.5026	0.4856	0.4692	0.4533	0.438	0.4231	0.4088	0.395	0.3817	0.3687	0.3563
34.99	35.09	35.15	35.16	35.76	34.55	33.38	32.25	31.16	30.10	29.09	28.10	27.16	26.23	25.35
501.86	536.95	572.10	607.25	643.01	677.56	710.95	743.20	774.36	804.47	833.55	861.66	888.81	915.05	940.40
														940.40

Table 4: Option 3 Smoke-Free Legislation (All Identified Smoking Related Diseases)

Additional Costs/Savings over Option 1 (£m)

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Health Benefits																	
Economic value of lives saved			0.27	0.55	0.82	1.09	1.37	1.64	1.91	2.19	2.46	2.73	3.01	3.28	3.55	3.83	4.10
Reduced Exposure to ETS																	
Reduced Active Smoking			0.97	1.94	2.90	3.87	4.84	5.81	6.77	7.74	8.71	9.68	10.64	11.61	12.58	13.55	14.51
Morbidity Saving			0.72	1.44	2.16	2.88	3.61	4.33	5.05	5.77	6.49	7.21	7.93	8.65	9.37	10.10	10.82
(Human Cost of ill health)			0.56	1.11	1.67	2.23	2.78	3.34	3.90	4.46	5.01	5.57	6.13	6.68	7.24	7.80	8.35
Reduced Exposure to ETS																	
Reduced Active Smoking																	
Resource Savings																	
NHS Treatment Costs			0.21	0.41	0.62	0.82	1.03	1.23	1.44	1.64	1.85	2.05	2.26	2.46	2.67	2.87	3.08
Reduced Sickness Absence Savings			0.03	0.06	0.09	0.12	0.15	0.18	0.21	0.24	0.27	0.3	0.33	0.36	0.39	0.42	0.45
Productivity gains as a result of reduced smoking breaks			28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2
Cost savings from reduced fire hazards and reduced cleaning and decorating costs			4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Hospitality Sector Impacts																	
			-2.69	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50
Implementation and Enforcement Costs																	
Costs to the Northern Ireland Administration																	
Communications programme			-0.39														
Compliance phone line			-0.1	-0.05													
Nicotine Replacement Treatment			-4.8	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4
Monitoring and Evaluation				0.25													
Costs to Local Authorities																	
Enforcement			-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Associated advisory and educational functions			-0.2	-0.2													
Total undiscounted	-0.2	27.08	33.31	35.86	38.62	41.37	44.12	46.88	49.63	52.39	55.14	57.89	60.65	63.40	66.16	68.91	
Discount factor	1	0.9662	0.9335	0.9019	0.8714	0.842	0.8135	0.786	0.7594	0.7337	0.7089	0.6849	0.6618	0.6394	0.6178	0.5969	
Net Present Value (Annual)	-0.2	26.16	31.09	32.34	33.65	34.83	35.90	36.85	37.69	38.44	39.09	39.65	40.14	40.54	40.87	41.13	
Net Present Value (Cummulative)		25.96	57.06	89.40	123.05	157.88	193.78	230.63	268.32	306.75	345.84	385.49	425.63	466.17	507.04	548.18	
Total NPV																	

Option 3 Cont. (All Identified Smoking Related Diseases)

Additional Costs / Savings over Option 1 (£m)

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
4.37	4.65	4.92	5.20	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47
15.48	16.45	17.42	18.38	19.35	19.35	19.35	19.35	19.35	19.35	19.35	19.35	19.35	19.35	19.35
11.54	12.26	12.98	13.70	14.42	14.42	14.42	14.42	14.42	14.42	14.42	14.42	14.42	14.42	14.42
8.91	9.47	10.03	10.58	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14
3.28	3.49	3.69	3.90	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
0.48	0.51	0.54	0.57	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2
4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50	-2.50
-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4
-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
71.66	74.42	77.17	79.93	82.68	82.68	82.68	82.68	82.68	82.68	82.68	82.68	82.68	82.68	82.68
0.5767	0.5572	0.5384	0.5202	0.5026	0.4856	0.4692	0.4533	0.438	0.4231	0.4088	0.395	0.3817	0.3687	0.3563
41.33	41.47	41.55	41.58	41.56	40.15	38.79	37.48	36.21	34.98	33.80	32.66	31.56	30.48	29.46
589.51	630.97	672.52	714.10	755.66	795.81	834.60	872.08	908.29	943.28	977.08	1,009.73	1,041.29	1,071.78	1,101.24
														1,101.24