

TOBACCO CONTROL: TAXING THE PUBLIC'S PATIENCE

FOREWORD

The tobacco control industry often claims it has the support of the public for whatever measure it wants government to adopt in the long-running war on tobacco.

A new national poll exposes this conceit. Conducted by Populus for Forest, it found that fewer than one in five adults (18 per cent) believe that tackling smoking is a very important priority for the National Health Service, while only 14 per cent consider it a very important priority for local government. In each category tackling smoking came ninth out of a list of ten priorities. This replicates a similar result from a June 2015 poll by Populus that found that tackling smoking was considered to be the lowest in a list of priorities for the NHS, behind even obesity and alcohol issues.

Ignoring the punitive level of duty that smokers already pay on tobacco products, Action on Smoking and Health (ASH) is lobbying the UK Government to increase the tobacco duty escalator from two per cent above inflation to five per cent above inflation. According to Populus however only 24 per cent of the public think the tax on tobacco is too low; 38 per cent think it's too high, while 31 per cent think it's about right.

One reason ASH wants the Government to raise more money from tobacco is to fund stop smoking services. New research however shows that the numbers using stop smoking services in England have plummeted by 51 per cent since 2010/11. Is it any wonder that 66 per cent of people polled want a review of the way stop smoking services are funded? It would be economic madness to pour even more money into services a declining number of people are using.

Forest has repeatedly urged the Government to assess the impact of tobacco control measures on ALL stakeholders, including consumers. It is significant then that Populus also found that 61 per cent of the public think it is very important that the Government commissions an independent review of the impact of forthcoming tobacco control measures before proceeding with further measures to control the sale and consumption of tobacco.

I hope that ministers, including the Chancellor, will read this briefing paper and take note.

Simon Clark
Director, Forest



Populus interviewed a random sample of 2,016 GB adults aged 18+ from its online panel between 4-6 March 2016. Surveys were conducted across the country and the results have been weighted to the profile of all adults. Populus is a founder member of the British Polling Council and abides by its rules. Further information at www.populus.co.uk

NEW TOBACCO CONTROL MEASURES

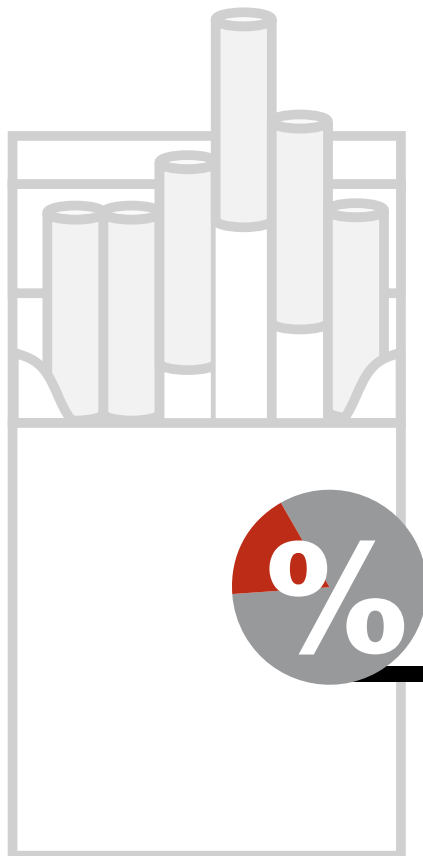
Action on Smoking and Health (ASH) continues to lobby the Government to introduce further tobacco control measures. In its manifesto, *Smoking Still Kills* (2015), ASH set out a range of areas in which it believes that the Government should implement new measures.¹ “New and renewed efforts,” ASH argues, “are needed to tackle smoking.”²

However, the majority of the public do not agree with ASH's assessment of the urgent need for the Government to act in order to tackle smoking in the UK. According to a new poll:

- Only 18 per cent of the public believe that tackling smoking is a very important priority for the National Health Service (NHS), which was second bottom out of a list of 10 priorities;³ and
- No more than 14 per cent of the public believe that tackling smoking is a very important priority for local government, which was second bottom out of a list of 10 priorities.⁴

Moreover, there is a strong desire amongst members of the public to ensure that the Government rigorously assesses measures that have already been agreed and are due to be introduced, such as standardised ‘plain’ packaging and the EU's new Tobacco Products Directive (TPD).

- 61 per cent of the public believe that it is very important that the Government commissions an independent review of the impact of forthcoming tobacco control measures (TPD and standardised ‘plain’ packaging) before proceeding with further measures to control the sale and consumption of tobacco.⁵



Only 18% of the public believe that tackling smoking is a very important priority for the National Health Service.

Increased taxation on tobacco products >>>

¹ *Smoking Still Kills* (Action on Smoking and Health, June 2015)

² *Smoking Still Kills* (Action on Smoking and Health, June 2015)

³ Populus Polling (March 2016)

⁴ Populus Polling (March 2016)

⁵ Populus Polling (March 2016)

INCREASED TAXATION ON TOBACCO PRODUCTS

ASH has a long track record of lobbying politicians and government departments in an effort to increase the tobacco duty escalator. ASH maintains that in terms of smokers' purchasing behaviour, "price dominates their decision-making. Consequently, increasing the price of tobacco through taxation remains the single most effective way of reducing smoking prevalence."⁶

ASH recommends that the Government should increase the tobacco duty escalator from 2 per cent above inflation to 5 per cent above inflation and bring tax on hand rolling tobacco into line with that levied on cigarettes (this would require a 15 per cent tax escalator in the short-to-medium term). However, it is clear that this policy has little support amongst the public. According to Populus:

- 38 per cent of people think tobacco taxation is too high.⁷
- 31 per cent think tobacco taxation is about right.⁸
- Only 24 per cent of the public think taxation is too low.⁹
- 70 per cent of smokers believe the Chancellor should not raise taxes on tobacco products in the March 2016 Budget.¹⁰

Furthermore, in a recent report, the Fabian Society (a left-leaning think tank) recommended "Reducing the burden of 'sin' taxes on alcohol and tobacco".¹¹ Its author stated that:

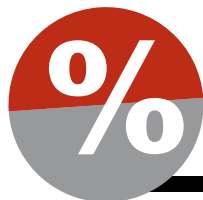
*"People believe they have a moral imperative to help those who really need it, and the government should act to help the poorest. They are angry when they find out that poor families pay a higher share of their income in tax than the rich."*¹²

The Fabian Society argues that reducing the tax burden on alcohol and tobacco products should form a part of a broader strategy to lower "indirect tax liabilities" for those who can least afford them.¹³

FUNDING FOR TOBACCO CONTROL SERVICES

ASH maintains that "sustained investment is required to bring down smoking prevalence and reduce the human, social and economic costs of smoking" and that money spent "on tobacco control is an extremely good investment."¹⁴ It is this rationale that underpins ASH's lobbying for the introduction of a levy on tobacco manufacturers of £500 million, the proceeds of which will be used to fund national, regional and local level anti-smoking services.¹⁵

The Government has already rejected the idea of introducing a new levy on tobacco manufacturers on the basis that "the impact of a levy on the tobacco market would be similar to a duty rise, as tobacco manufacturers and importers would pass the costs of a levy on to consumers. This is supported by HMRC analysis which shows that a levy of £150 million would only raise £25 million after behavioural effects."¹⁶



The use of stop smoking services has dropped by over 50 per cent nationally since 2010/11.

⁶ Smoking Still Kills (Action on Smoking and Health, June 2015)

⁷ Populus Polling (March 2016)

⁸ Populus Polling (March 2016)

⁹ Populus Polling (March 2016)

¹⁰ Mitchla Marketing/SSI online poll of 2,200 adult (18+) smokers conducted in February 2016

¹¹ The Tax Detox (The Fabian Society, December 2015)

¹² The Tax Detox (The Fabian Society, December 2015)

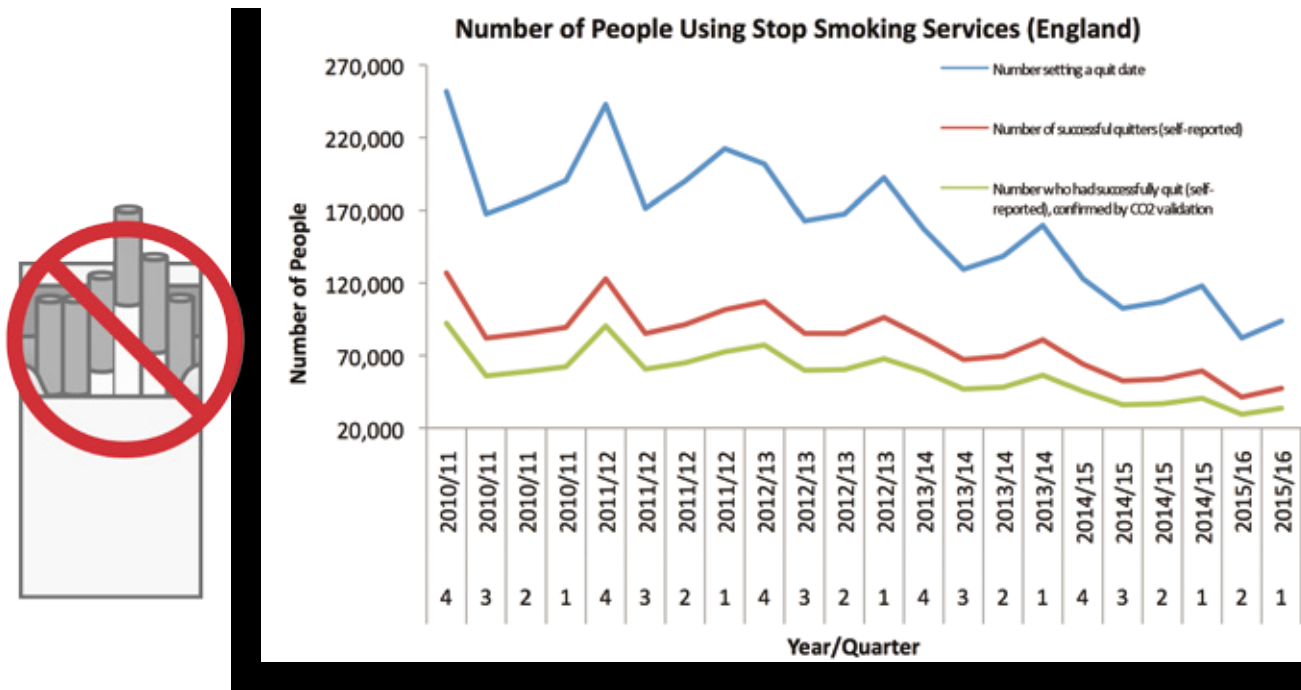
¹³ The Tax Detox (The Fabian Society, December 2015)

¹⁴ Smoking Still Kills (Action on Smoking and Health, June 2015)

¹⁵ Smoking Still Kills (Action on Smoking and Health, June 2015)

¹⁶ Tobacco Levy: Response to the Consultation (HMRC, December 2014)

Moreover, information published by the Health and Social Care Information Council (HSCIC) shows that usage of the sorts of services that ASH claims it needs more funding for has declined dramatically. For example, the use of stop smoking services has dropped by around 51 per cent nationally since 2010/11 (see graph below).¹⁷ In some areas of the country, the drop off has been even larger. The biggest declines in the usage of stop smoking services took place in the North East (60 per cent), the North West (56 per cent) and Yorkshire and the Humber (55 per cent).¹⁸



In light of the declines illustrated above, 66 per cent of the public believe that the way in which stop smoking services are funded should be reviewed.¹⁹ This indicates that the views of the public are in line with the views of those operating at the local government level. In response to recent criticism by ASH regarding local authorities' cuts to stop smoking services, the Local Government Association (LGA) stated that:

“Since the advent of e-cigarettes and campaigns such as Stoptober, we have seen the number of users of smoking cessation services fall, while the population of smokers left is now more challenging to get to quit. This means councils are re-evaluating what they do on tobacco control and how to be more effective. Councils remain committed to helping smokers quit, however they face significant cuts to public health budgets this year, and spending large volumes of money on a service people are not using will fast undermine the cost-effectiveness of providing it.”²⁰

In other words, local authorities have re-prioritised funding away from smoking cessation services as demand for them has fallen due to the impact of emerging products on smokers' behaviour.

¹⁷ Statistics on NHS Stop Smoking Services in England (HSCIC)

¹⁸ Statistics on NHS Stop Smoking Services in England (HSCIC)

¹⁹ Populus polling (March 2016)

²⁰ Local Government Association



Sheraton House
Castle Park
Cambridge CB3 0AX
Telephone 01223 370156
Hotline 07071 766537
contact@forestonline.org
www.forestonline.org