

All Party Parliamentary Group on Smoking and Health Inquiry into the Illicit Trade in Tobacco Products

Memorandum from: North of England Tackling Illicit Tobacco for Better Health Programme

Introduction

1. The North of England *Tackling Illicit Tobacco for Better Health Programme* was launched in July 2009, following recognition of the importance of illicit tobacco in undermining tobacco control strategies and in maintaining and encouraging tobacco use among deprived communities.
2. The main aim of the Programme was to increase the health of the population in three regions (North West, North East and Yorkshire and Humber) through reducing smoking prevalence, by:
 - reducing the availability (supply) of illicit tobacco, and
 - reducing the demand for illicit tobacco, by building on existing tobacco control measures and by effective public communications about illicit tobacco.
3. The Programme marked the first systematic attempt at a pan-regional level by organisations and agencies involved in the health sector to work in partnership with enforcement agencies including police, HMRC and trading standards, to reduce the use of illicit tobacco. The Department of Health provided £1m in start-up funding, split equally between the three regions, and this has been supplemented by financial support since 2009 from Primary Care Trusts which have funded regional offices of tobacco control. However, future funding is uncertain because of the transfer of public health from the NHS to local authorities.

Key Features of the Programme

4. The Governance Board for the Programme includes key stakeholders from HMRC and Trading Standards, Health and Marketing across the three regions. The Board has agreed eight strategic objectives:
 - developing partnerships
 - engaging health and community workers
 - generating and sharing intelligence
 - identifying informal markets and planning preventative action
 - delivering enforcement
 - marketing and communications
 - working with businesses
 - assessing progress.

5. Other than the obvious driver of price, there are two key factors in determining levels of consumption of illicit tobacco. The likelihood of smokers buying illicit tobacco when offered is determined to a large degree by their comfort (attitudinal) with illicit tobacco. Once smokers have made the decision to try illicit tobacco, their likelihood to buy is influenced significantly by opportunity to purchase. Therefore the two key areas to address in order to reduce illicit consumption are: shifting attitudes (reducing comfort with illicit tobacco) and reducing availability.
6. In March/April 2011 a survey of 4,111 adults (aged 16 and over) and 358 14-15 year olds was undertaken across the North East and North West regions by NEMS Market Research, with results compared against a comparable benchmark study undertaken in 2009. The results of this survey are summarised below.

Use of Illicit Tobacco in the Programme Area

7. The 2011 survey showed that between 2009 and 2011, there was a reduction in smoking prevalence in the survey area of 2 percentage points, from 24% to 22%: This, combined with a reduction in average daily consumption levels, resulted in a drop of almost one fifth (18%) in the volume of tobacco consumed.
8. The proportion of smokers who had brought back, or had others bring back, duty-free cigarettes from abroad fell substantially, from 33% and 27% in 2009, to 27% and 22% in 2011.
9. The proportion of smokers buying illicit tobacco also fell, from 20% to 18% and the total market share of illicit tobacco fell from 9.4% to 8.8%, with a sharper fall in the North East than in the North West. This is a substantial decline, especially during a period of recession and falling real incomes that might be expected to increase demand for illicit tobacco. We estimate that this has cut tax evasion by about £36 million in the North East and £13 million in the North West.
10. There are however exceptions to the general trend. While smoking prevalence among 14-15 year olds declined between 2009 and 2011, use of illicit tobacco increased among smokers in this age group, and is significantly higher than the level among adults. This is in part due to the fact that 14-15 year old smokers are more than twice as likely as their adult counterparts to be offered illicit tobacco to buy. However, the “discomfort” level for illicit tobacco among 14-15 year olds increased over this period.
11. The survey suggests that the structure of the illicit tobacco market has changed. The proportion of illicit buyers purchasing foreign brands not normally found in the UK (mainly “cheap whites”) has increased, while there has been no increase in the proportion buying counterfeit.

12. It is estimated that the volume of illicit tobacco in the North of England reduced by 23% from 2009 to 2011, with the largest reduction in the North East (39%) compared to the North West (11%).

Communications (Reducing Demand)

13. A social marketing campaign, “*Get Some Answers*” (GSA), was developed by the Programme to reduce demand for illicit tobacco. This avoided discussion of the relative health risks of illicit and licit tobacco (which implies that licit tobacco is ‘healthier’). Instead, and for the first time in the UK, the Programme focused on aspects of criminality of illicit tobacco in local communities and the role it played in young people’s smoking. We want to increase public awareness both of low level offending in our communities (for example small scale local sales of illicit tobacco) and its links to national and international organised crime.
14. The campaign was run in the North West and North East in June/July 2010 and repeated in January/February 2011. Public spending cuts affecting the Department of Health’s communications budget prevented it from being run in Yorkshire and Humber. The campaign had a high profile throughout and is believed by stakeholders to have significantly raised awareness of illicit tobacco among the relevant agencies and national policy makers as well as consumers.
15. Market research shows that there has been an increase in public awareness of and discomfort in relation to illicit tobacco between 2009 and 2011, along with a weakening in the social acceptability of illicit tobacco. This can be at least in part attributed to communication of key messages, which the Programme has helped to lead.
16. The 2011 survey showed that awareness of illicit tobacco among non-smokers increased from 54% to 69% and, importantly, the proportion of smokers who were comfortable with illicit tobacco use fell four percentage points to 15%, with similar reductions recorded in both regions, while the proportion ‘uncomfortable’ with illicit tobacco rose by four percentage points to 59%. The proportion of people reporting that they were likely to report someone selling IT increased by three percentage points to 29%, 75% reporting that they would report sales to children (as in 2009).

Enforcement Action (Reducing Supply)

17. The Programme played a key part in the negotiations around a revised protocol for sharing intelligence and closer working between the different enforcement bodies. This underpinned all of the Programme’s work.
18. For example if the Programme raised awareness of the dangers of illicit tobacco use, leading to an increase in information to enforcement agencies about local traders, this then needed to be seen to be acted upon for the Programme to have continued credibility.

19. The Programme focussed on use of the Crimestoppers hotline for intelligence reporting, although HMRC continued to promote the Customs Hotline.
20. The GSA campaign led to an increase in the number of relevant calls to Crimestoppers in the North East and North West regions, from 100 in the period April 2009 to March 2010 to 328 for the year April 2010 to March 2011, while calls to Crimestoppers in Yorkshire and Humber (where the GSA campaign did not run) fell from 33 to 19.
21. Calls to Crimestoppers dropped off from April 2011 onwards, suggesting that the social marketing campaign would need to be continued to have a sustainable large effect. As an example, a recent burst of marketing activity in the North East provoked a significant spike in calls to Crimestoppers, with almost half of the number of calls received in the first six months of the year being taken during a three week campaign. However limited budgets are making it increasingly difficult to run such campaigns.

Conclusions

22. The evidence suggests that the Programme has been effective in tackling both the supply of and demand for illicit tobacco. Judith Kelly, HMRC Head of Tobacco Strategy, has stated that:

“The programme has shown that partnership working can be effective in directly targeting those involved in the illicit tobacco trade, and that it can also have a significant impact on public awareness of this crime and in changing attitudes to illicit tobacco”.

23. However, this innovative Programme, tackling a complex social problem, is still at a relatively early stage. The sustainability of the Programme is likely to rest on continued investment. This is necessary to ensure:
 - ongoing regional coordination
 - regular meetings of stakeholders to enable expertise and intelligence to be shared
 - a sustained social marketing campaign
 - regular monitoring of progress.

This view is reinforced by an independent evaluation of the Programme carried out by the UK Centre for Tobacco Control Studies. A summary and full report can be found at:

www.ukctcs.org/ukctcs/research/featuredprojects/illicittobacco.aspx

24. Similar programmes are being launched in other regions, the most developed of these being in the South of England. Our estimates of reduced tax evasion in the North West and North East from reduced use of illicit tobacco show that such programmes can be highly cost effective.
25. We are keen to share our experience and lessons with those engaged in similar projects elsewhere in England, and to support the continuing

development of partnerships between health professionals and organisations and enforcement agencies to tackle the problem of illicit tobacco.

A guide for those seeking to develop such partnerships can be found at:
www.illicittobaconorth.org