

All Party Parliamentary Group on Smoking and Health



APPG on Smoking and Health Manifesto for a Smokefree Future

*Make Smoking History: A cross
Government strategy to improve
the nation's health, wealth and
productivity*

Executive Summary

November 2023



Executive Summary and Recommendations

The APPG strongly supports the Government's proposals to raise the age of sale of tobacco to prevent the next generation from smoking, and to introduce much tougher regulation to curb vaping among young people. It is, however, just as vital to help existing smokers to stop.

One in eight of the population smoke, around 6.4 million adults in the UK. Most adult smokers want to stop smoking but on average it takes thirty attempts to succeed, and many never do. Two out of three long-term smokers die prematurely, often after years of disability, from the cancers and respiratory and cardiovascular diseases caused by their smoking.

Attempts by tobacco industry lobbyists to make any debate around smoking about health versus freedom are, to quote the Chief Medical Officer Chris Whitty, "dishonest". Smoking is an addiction, not an adult "lifestyle choice". The only free choice is whether to smoke that first cigarette. Two thirds of those who try just one cigarette, usually while they are still children, go on to become daily smokers, and daily smokers are addicted smokers.

Reducing smoking prevalence has an immediate impact not only on the health and wellbeing of the population but also on the cost of smoking to the public purse and the wider economy.

Cost of smoking

The annual cost of smoking to individuals, to public services and to the wider UK economy is £89.3 bn, equivalent to around 3.9% of GDP.

The direct costs of smoking to public finances in England in 2023 are estimated to be £21 bn. The net cost, adjusting for tobacco taxes and the reduction in pension costs due to the premature death of smokers, is £9.4 bn. This comprises

- £4.6 bn in social security payments
- £3.4 bn cost to the NHS, social care and fire services
- £1.4 bn net tax loss

Smoking not only destroys people's health and wellbeing, robbing children of their parents and grandparents, but also costs smokers dearly. The billions raised in tobacco taxes come from the consumer, not the manufacturer. In 2023 smokers spent on average £3,096 a year on cigarettes, 10% of the average Gross Disposable Household Income, and over 50% more than the energy costs for a typical household.

Benefits of the APPG recommendations

Many, but not all, of the APPG on Smoking and Health's 2021 recommendations are now in process of being implemented by this Government. These include progress towards much tougher regulation of vaping to protect children, and provision of additional funding for Stop Smoking Services and anti-smoking campaigns.

Smoking cessation treatment is one of only a handful of interventions which actually reduce healthcare costs in the NHS, and the £85 mn funding commitment for 2024 will generate a return on investment from year one.

However, four years have been lost since the Smokefree 2030 ambition was announced, and it is now unlikely that we can reach the target of smoking rates of 5% or less by 2030.

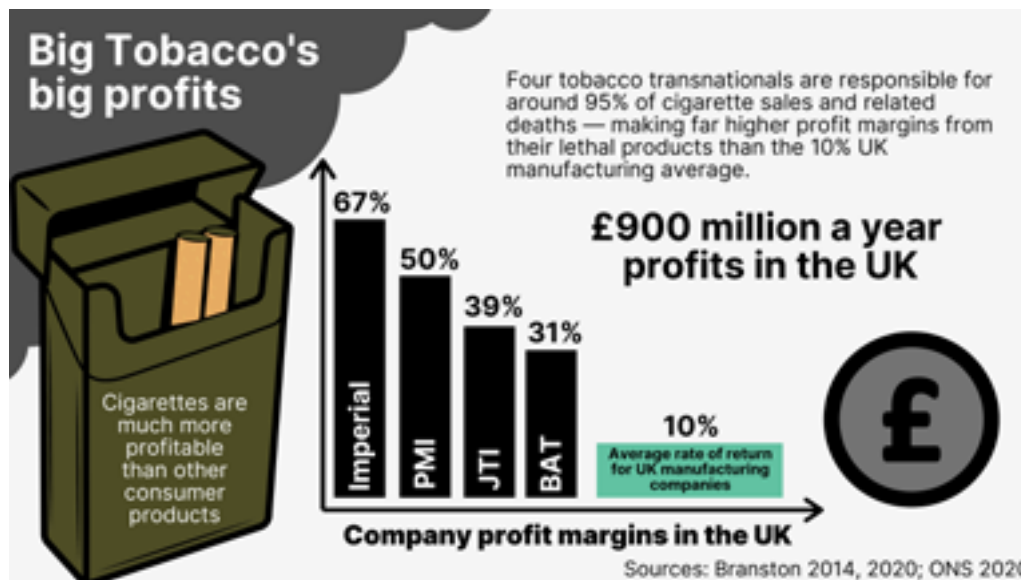
Significant progress can be made if current commitments are implemented in full, sustained and enhanced as recommended by the APPG. Smoking prevalence could be reduced by a third to 7.3% between 2024 and the end of the next parliament. This could deliver a reduction in public finance costs of £628 mn a year, totalling £3.1 bn by the end of the next parliament.

Additional funding will be needed to achieve this for, although reducing smoking prevalence is cost saving to the public purse, upfront investment is still required.

Make the polluter pay

The polluter pays principle is accepted for the environment, so why not for tobacco? Smoking remains the leading cause of premature death and disability, responsible for half the difference in healthy life expectancy between the most and least advantaged in society.

Why should taxpayers foot the bill for measures to end smoking, when the tobacco industry can be made to pay? Tobacco manufacturers make an estimated £900 mn a year in the UK, with an average net operating profit margin of about 50%, compared to the less than 10% average for UK manufacturing.



The APPG recommends addressing the excessive profitability of the tobacco industry with a windfall tax backed up by a 'polluter pays' levy.

The levy would operate by capping manufacturers' prices for tobacco products at a level that would cover the costs of production and distribution plus a 10% profit. The difference between the capped price and the current manufacturer price would be made up with the levy. Retail prices would not go down, as this would increase tobacco consumption, but the profits of the tobacco industry would diminish and a large fund would be made available to make smoking history.

Setting prices to fix tobacco manufacturers' profits at 10% would enable an estimated £700 mn a year to be raised as a 'polluter pays' health promotion levy, without changing the price to the consumer. The tobacco tax take to HM Treasury would not be affected by such a levy as it would come out of industry profits. Tobacco tax rates could continue to be raised above inflation over time, in line with commitments made by this government and its predecessors.

The profits of pharmaceutical companies are limited by regulation, for products which are life-saving, so why are the profits of tobacco manufacturers exempt, when their products destroy lives?

The primary legislation needed has been drafted for the APPG and is ready to be tabled. The DHSC already has a team of experts monitoring the large and complex pharmaceutical market. Tobacco is a much simpler commodity product. Four manufacturers account for around 95% of tobacco sales and could be covered by the existing DHSC team with only marginal additional resource needed.

The DHSC Office for Health Improvement and Disparities (OHID) has the knowledge and expertise to allocate funding to tobacco control measures to make smoking history.

It is time to make the polluter pay to deliver a smokefree future for us all.

Recommendations

Recommendation 1: Make the polluter pay

Recommendation 2: Implement and sustain all current Government and NHS tobacco control commitments

Recommendation 3: Implement all APPG 2021 recommendations

Recommendation 4: Chart the route to a smokefree future

Full report and modelling available online from ash.org.uk/about/who-we-work-with/appg

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