

Rt Hon Gordon Brown MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

27th March, 2007.

COMPREHENSIVE SPENDING REVIEW – TOBACCO CONTROL MEASURES

The enclosed document sets out in detail the recommendations of ASH to the Comprehensive Spending Review supported by 15 health organizations. Currently smoking prevalence is declining by only 0.4% of the population a year. An additional 1% population decline a year could save around 60,000 lives in only 10 years and reduce by many hundreds of millions of pounds a year the cost to the health service of smoking-related diseases.

Reductions in smoking prevalence would lead to reductions in morbidity as well as mortality, leading to significant immediate as well as longer-term savings to the health service, which have not yet been properly quantified. Immediate reductions in costs that have include reductions in average time spent in hospital following operations, fewer premature and low birth weight babies, and fewer heart attacks and strokes. Smoking is also a major cause of bronchitis and pneumonia which often leads to acute beds being occupied and cancellations of routine operations and other medical treatments, particularly in winter months. When smokers quit it can also lead to significant reductions in costs of medicines. Wanless estimated that savings of up to £1 billion a year in statin use alone would be possible by 2022 if the *'fully engaged'* scenario was achieved. Reducing smoking prevalence is also key to achieving the Government's health inequality targets since smoking is estimated to be the cause of half the difference in survival to 70 years of age between social class 1 and V.

Tobacco control must remain a priority for health funding. Smoking is a chronic, relapsing, addictive behaviour and the single largest preventable cause of death and disease. In England alone over 85,000 smokers die every year as a result of their habit, and for every one that dies around another twenty are suffering from smoking-related diseases, many of whom will go on to die prematurely, losing many years of productive life. There is good evidence that smoking prevalence only continues to go down when policy levers continue to be used to the full.

There is a relatively rich evidence base from jurisdictions with such strategic frameworks, such as California and Australia, on how to bring smoking prevalence down and such measures are both inexpensive and highly cost-effective compared to health

interventions to treat disease once it has developed. Population measures rather than measures targeted at individual subgroups have been found to be particularly effective.

The most effective means of reducing smoking prevalence is by increasing the price through taxation. Currently HM Treasury has made clear that it does not believe that this is a lever it can use given the continuing high levels of smuggling. We disagree and believe the time has come to re-introduce a tax escalator above inflation. Reducing smuggling needs to remain a priority and it would seem sensible to set new and stronger targets after the current target deadlines are reached in March 2008, for both cigarettes and Hand-Rolled Tobacco. In addition, if the Government is unwilling to use the most effective lever in reducing smoking prevalence then it is even more important that other tobacco control levers known to be effective are exerted to their fullest extent, in particular mass media advertising, to encourage people to quit, and a harm reduction strategy for smokers unable to quit.

In *Securing Our Future Health* Wanless recommended “*bringing spending on interventions to reduce smoking in line with expenditure in California where ambitious targets have been met.*” This would require spending on social marketing at double the current levels, £50 million a year instead of around £25 million a year. It would also require maintenance of effective funding of the NHS Stop Smoking Services, currently £56 million per annum, and their extension to ensure effective smoking cessation provision in hospitals. Furthermore, it would require the addition of an effective harm reduction strategy for tobacco use, including the development of a coherent regulatory framework. We welcome your announcement in the Budget that VAT on nicotine replacement products would be reduced to 5% for one year from 1 July 2007 as a step in the right direction, but would urge you to sustain this reduction in taxation of such products permanently.

Total funding for a comprehensive tobacco control strategy to reduce smoking prevalence, not including the cost of smuggling initiatives, would be under £250 million a year. In contrast the Government currently spends £736 million on treatment and prevention on illegal drugs (not including all the crime and enforcement costs of illegal drugs), yet it is estimated there are only around a total of 350,000 problem drug users. Investment in drug treatment alone is increasing from £253 million in 2004/05 to £478 million by 2007/08. This boost in funding will see the budget of every Drug Action Team increase by around 55% by 2008, to quote, “*demonstrating the Government's commitment to increasing drug treatment services for all drug users.*” Yet illegal drug use is estimated to cost the health service only around £0.5 million each year compared to the annual cost of smoking-related disease of £1.7 billion.

I hope this is a helpful input to the Comprehensive Spending Review.

Yours sincerely,

Deborah Arnott

Director

Action on Smoking and Health

cc Caroline Flint MP, Minister of State for Public Health, John Hall, HM Treasury