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Rt Hon Philip Hammond MP
HM Treasury,
1 Horse Guards Road,
London,
SW1A 2HQ

31 January 2017

Dear Mr Hammond,

Paying the Price for Strong White Cider

I am writing to you regarding the forthcoming budget on 8 March when I believe you have an opportunity to improve the health of some of the poorest people in society; enhance the life chances of our children; and help reverse the damage done to our economy by the widespread availability of cheap alcohol, especially in the form of strong white cider.

According to Public Health England's alcohol evidence review published in The Lancet, 167,000 years of working life were lost to alcohol in 2015 alone, more than the 10 most frequent types of cancer combined.¹ This comes at a social cost that has been estimated at anything between £27 billion and £52 billion.² The review goes on to say that 'the financial burden which alcohol-related harm places on society is not reflected in its market price, with taxpayers picking up a larger amount of the overall cost compared to the individual drinkers.'

This is a situation which has been exacerbated by cuts and freezes in alcohol duty since 2013 which are expected to cost the taxpayer £3.45 billion.³ Adjusting for inflation, beer duty is now 14% lower than in 2012, and cider and spirits duty 6% lower.⁴ In fact, alcohol is 60% more

¹ Public Health England (2016), The Public Health Burden of Alcohol and the Effectiveness and Cost-Effectiveness of Alcohol Control Policies: An Evidence Review

² Burton, R et al (2016) A rapid evidence review of the effectiveness and cost-effectiveness of alcohol control policies: an English perspective

³ Burton, R et al (2016) op. cit.

⁴ Institute of Alcohol Studies (2016), Briefing: Budget 2016 analysis



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affordable today than it was in 1980.⁵ Recent cuts in duty are probably one reason why alcohol sales show signs of increasing for the first time since 2008.

As well as damaging our economy, cheap alcohol is devastating lives. Deaths from alcohol related liver disease have increased by 400% since 1970, in stark contrast to the rest of Europe. In England, the average age of death from an alcohol-specific cause is just 54. Amongst 15-49 year olds in England alcohol is now the leading risk factor for ill-health, early death and disability.⁶ It is affecting people who should be making a major contribution to the country's economy.

Strong white cider is causing particular damage – and its popularity can be directly attributed to a tax system which has led the Institute of Fiscal Studies to call for reform to address “the very low levels of duty charged on strong cider.” Producers currently exploit a system which sees 7.5% ABV ciders attracting the lowest duty per unit of any product – just 5p per unit compared to 18p per unit for an equivalent strength beer.⁷ According to a recent report, three litres of white cider containing the equivalent of 22 shots of vodka costs as little as £3.50.⁸

White ciders such as Frosty Jacks and White Ace are often the drinks of choice for heavy drinkers and children who end up in treatment services:

- 78% of the deaths in hostels run by homeless charity Thames Reach were attributed to high strength alcohol⁹
- 25% of alcohol treatment services patients in Glasgow and Edinburgh drink white cider, almost half of them exclusively¹⁰
- Frosty Jack's, the leading high strength cider brand, has consistently been among the top five most consumed brands by underage drinkers in treatment¹¹

These are just some of the reasons why I am calling for an increase in duty on high strength cider as a targeted measure that would help protect some of the most vulnerable members in society, including children. Introducing a new band of duty on ciders between 5.6% and 7.5% ABV would allow the Government to raise the price of these products, leaving 80% of cider sales untouched.¹² Consumption of super strength beer fell by a quarter in response to a similar change in 2011.¹³

⁵ HSCIC (2016), Statistics on Alcohol, England 2016

⁶ Public Health England (2016) op. cit.

⁷ Levell, P. et al (2016), Excise duties, IFS Green Budget 2016

⁸ Alcohol Health Alliance (2016), Cheap Alcohol: The Price We Pay

⁹ Thames Reach statement to Alcohol Health Alliance

¹⁰ Black, H et al (2014) White Cider Consumption and Heavy Drinkers: A Low-Cost Option but an Unknown Price. Alcohol and Alcoholism 49:6

¹¹ Alcohol Concern (2015) Alcohol Brands Consumed by Young People in Treatment 2015

¹² Calculations based on NHS Scotland (2016), Alcohol retail sales dataset 1994 to 2015 – May 2016

¹³ Ibid

This change would be popular with the public. According to a recent survey carried out by the Alcohol Health Alliance:

- 66% believe that a targeted tax should be levied on white cider
- More people believe that alcohol duty should be increased than reduced (22% vs 16%)
- 71% believe the Government has a responsibility to reduce the harms caused by alcohol misuse¹⁴

Given your Government's intention to improve the lives of people who are just about managing, I urge you to look closely at the impact strong white cider has on some of their lives. Tackling this tax anomaly would save lives, help families and protect children while strengthening the wider economy.

I look forward to hearing from you.

Yours sincerely



Barry Coppinger
Police and Crime Commissioner for Cleveland

¹⁴ Alcohol Health Alliance (2016), public opinion poll conducted November 2016