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1. Do you agree that there is a case for a new still cider and perry band below 7.5% ABV?

I would fully endorse the view taken by the North East Alcohol Office, Balance, who believe there is a strong case for the introduction of a new still cider and perry band below 7.5% ABV. Working within the current duty system, this appears to be the best way of using tax to address the harmful drinking associated with cheap, high-strength 'white' ciders.

White cider continues to be the 'beverage of choice' of both young people and harmful drinkers. Alcohol Concern found that 50% of homeless white cider drinkers consume more than three litres a day; with 42% of respondents saying they have drunk it for more than 10 years.¹ For heavy drinkers, white cider acts as a 'buffer drink', meaning they can continue their dangerous consumption patterns regardless of any financial setbacks.² Increasing the price of high-strength ciders has the potential to remove this 'safety net', so when money begins to run out, drinkers are forced to cut down their consumption.

The North East has the highest rates of alcohol consumption amongst 11-15 year-olds in the country, which is a major concern for society as a whole. Sadly, this trend has a tragic human cost. 16-year-old Megan Craig-Wilkinson from North Tyneside died in January 2014, after drinking 1.5 litres of super-strength cider at a friend's party. Her mother Joanne Good has worked closely with Balance to call on the government to increase the tax on strong white cider, saying:

"This type of cheap, strong cider will always appeal because it can easily be bought from their pocket money, but parents just aren't aware of the risks.

"If it was up to me, I would like to see ciders like these removed from sale. Aside from what happened to Megan, every child that drinks it is doing damage to their bodies.

"If it can't be removed from sale, then I think it should be kept behind the counter where the spirits are and the price should be increased. The price needs to take into account how big the bottles are and how much alcohol is in them."

¹ Goodall, T. (2011). *White Cider and Street Drinkers: Recommendations to reduce harm*. London: Alcohol Concern.

² Black, H. et al (2014) *White Cider Consumption and Heavy Drinkers: A Low-Cost Option but an Unknown price*. *Alcohol and Alcoholism* 49:6, pp675-80

Studies of white cider drinkers have indicated that 75-85% favour it due to its low price.³ The current duty structure is being exploited to ensure white cider can be sold for so little. A 500ml can of cider at 7.5% ABV generates 19p of duty, less than a third of the duty of a can of beer of the same size and strength (69p). Cider of 7.5% ABV attracts the lowest level of duty of any alcohol product, regardless of strength.

Additionally, the current system wrongly taxes cider according to volume, rather than alcohol content. Currently all cider between 1.2% and 7.5% ABV has the same tax rate, meaning duty per unit is actually lower for higher strength ciders.

There is widespread acknowledgement that action is needed to tackle these problems. Health groups, politicians and large parts of the alcohol industry have all recognised the harms associated with high strength ciders. 66% of the British public agree that taxes on white cider should be increased.⁴

2. Where do you think the lower threshold should be set?

Once again, I would support Balance's recommendation for the lower threshold of the new duty band to be set at 5.5% ABV. With the vast majority of UK-sold ciders in the 4-5% ABV range, this new range would capture the products on the market most associated with causing harm. It would also encourage manufacturers to reformulate to a lower strength, in order to meet the new duty rates.

A wider duty band would specifically target the most dangerous products on the markets, whilst having a minimal impact on mainstream ciders. It is crucial that the duty rate is also increased, possibly replicating the current rate applied to beer of a similar strength.

I would recommend that a new higher duty band would require the 7.5-8.5% band to increase accordingly, as it would be counterproductive if the new band were to encourage the production of ciders over 7.5% ABV, in order to avoid paying higher rates.

3. In volume terms, how does the still cider market breakdown by strength in 0.1% ABV increments?

I do not have access to such detailed market breakdowns, however NHS Scotland's Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS) project that 'strong, white cider' accounted for all 18% of cider sales in England and 21% of all sales in Scotland in 2012.⁵

4. We would welcome evidence on the impacts a new still cider and perry band could have.

There has been extensive research into the benefits of raising the cost of alcohol, with many finding it to be the most effective way of addressing alcohol harm. Most evidence suggests white cider drinkers are highly influenced by price and any increase would

³ Black et al (2014) op. cit.

⁴ AHA Opinion Polling 2016

⁵ NHS Health Scotland (2016), Off-trade alcohol sales price distribution 2009-15. Available from: <http://www.healthscotland.scot/publications/mesas-alcohol-sales-and-price-update-may-2016>. [Accessed 12 December 2016].

potentially reduce alcohol consumption among the most harmful drinkers.⁶ This would, in turn, reduce the death and illness from alcohol and associated social harms.

Public Health England recently found that 167,000 hours of working life were lost to alcohol in 2015, more than the ten most frequent types of cancer combined.⁷ This is estimated to cost the UK economy at least £21 billion, with a cost of almost £1bn to the North East economy alone.⁸

Psychiatrist Peter Rice concluded that drinkers are “*highly price aware*” and will actively change their drinking behaviours in relation to the price of alcohol.⁹ If access to cheap ciders was disrupted, we can assume that drinkers would cut back or shift to more expensive drinks. An experiment, in which retailers voluntarily removed high strength beers and ciders from sale, found homeless drinkers who switched to wine or spirits struggled to maintain levels of consumption.¹⁰

Importantly, increasing bands of duty on the strongest alcohol has worked in the past. The current top band for ciders is credited for shrinking the market for products above 7.5% ABV from 20% in 1996 to less than 2% today.¹¹ Similarly, following the 2011 introduction of a new higher duty band for super-strength beer and lager in England and Wales, the market share of these products declined by 23% within two years.¹²

While an increase in cider duty will have a serious impact on harmful drinkers, it is unlikely to affect the vast majority of cider consumers. There are relatively few mainstream ciders stronger than 5.5% ABV, therefore over 80% of the cider sold in the UK would be completely unaffected.¹³

⁶ HSCIC (2016), *Statistics on Alcohol England, 2016*.

⁷ Public Health England (2016), *The Public Health Burden of Alcohol and the Effectiveness and Cost-Effectiveness of Alcohol Control Policies: An evidence review*, p40.

⁸ Burton, R. et al (2016), A rapid evidence review of the effectiveness and cost-effectiveness of alcohol control policies: an English perspective, *The Lancet* doi: [http://dx.doi.org/10.1016/S0140-6736\(16\)32420-5](http://dx.doi.org/10.1016/S0140-6736(16)32420-5)

⁹ Peter Rice statement to Alcohol Health Alliance

¹⁰ McGill, E. et al (2016), Consequences of removing cheap, super-strength beer and cider: a qualitative study of a UK local alcohol availability intervention, *BMJ Open* 6:9.

¹¹ National Association of Cidermakers (2010) *A Response to the Alcohol Taxation Review*

¹² NHS Health Scotland (2016), op. cit.

¹³ Ibid.