

MC2016/11467



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Fiona Mactaggart MP
House of Commons
London
SW1A 0AA

04 MAY 2016

Dear Fiona,

Thank you for your email of 4 April to Jane Ellison enclosing correspondence from your constituents about tobacco tax. Your email has been passed to the Treasury and I am replying as Minister responsible for this policy area.

Smoking is the single largest cause of preventable illness and premature death in the UK and remains one of the Government's most significant public health challenges. That is why we have put in place a strong agenda on tobacco, both through increasing duty rates and through regulation.

As you may know, since 2013 Local Authorities have been responsible for commissioning public health services, including smoking cessation services. It is therefore for each authority to decide what steps to take with regard to assessing local needs and priorities and they are accountable to the people in their areas for the decisions that they make. Public Health England encourage all Local Authorities to ensure that there is adequate and appropriate provision of stop smoking treatments available. This includes working directly with Local Authorities to identify how they can provide cost effective support to local people who want to stop smoking.

While I understand your constituents' concerns about changes to the funding of public health, Local Authorities will still receive over £16 billion to spend on public health over the next five years. This is in addition to what NHS England will continue to spend on vaccinations, screening and other preventative interventions - including the world's first national diabetes prevention programme.

Regarding a levy, the Government laid out its position in the consultation response published last September. We do not believe a levy is an effective way to raise revenue or protect public health, particularly when the Chancellor has already committed to maintaining the duty escalator until the end of the Parliament. However, we are still committed to working towards our fiscal goals on tobacco policy; to raise revenue and protect public health. That is why we continue to make targeted interventions in the tax system.

At Budget 2016, as well as continuing the duty escalator, the Chancellor also announced an additional 3% rise on hand-rolling tobacco duty, to narrow the duty gap between hand-rolling tobacco and cigarettes. This will reduce the incentive for consumers to switch to relatively lower priced products. It was also announced that the Government would introduce a Minimum Excise Tax in Finance Bill 2017, which will support public health objectives, tackle the very cheapest tobacco and promote fiscal sustainability.

Alongside these changes to duties, further measures to tackle the illicit market and maintain the integrity and stability of the duty system going forward were announced at Budget 2016.

We also want to ensure the Government's wider strategy for tobacco continues to develop and so the Department of Health will publish a new tobacco control plan later this year. This will build on the achievement of the previous plan, such as the introduction of standardised packaging in May 2016 and the retail display ban.

Please pass on my thanks to your constituents for taking the trouble to make us aware of these concerns.

Yours ever

Damian

Damian Hinds
Exchequer Secretary to the Treasury