

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

24 January 2024

Dear Chancellor,

Ahead of the Spring Budget, we are writing to urge you to increase alcohol duty by 2% above inflation. By taking this opportunity to build on the positive work of the new alcohol duty system introduced last year, you can help to save lives, ease pressure on the NHS, and raise much needed revenue for the Treasury.

From your time as the Secretary of State for Health and Social Care, you will have seen the devastating impact of alcohol harm and the increasing pressure it places on our NHS. Alcohol is the leading risk factor for death, ill-health, and disability amongst 15-49-year-olds. It is linked to over 200 health conditions and causes seven types of cancer including two of the most common: breast and bowel. Currently, more than 1 in 20 hospital admissions in England are alcohol-related, and 37% of ambulance time is spent responding to alcohol-related incidents. With the recent news that wait times in A&E departments across the country are up by 20%, reducing alcohol harm will undoubtedly ease the mounting strain on our healthcare services.

The financial cost of alcohol harm to the NHS in England is also staggering, estimated to be at least £4.2 billion annually. However, this figure is likely a significant underestimate given that thorough revisions of alcohol harm cost data have not taken place for more than a decade. More recently, the OECD estimates that the total healthcare cost of alcohol in the UK is £8.3 billion.

The number of people dying from alcohol is at record-high levels, having increased by 27.4% between 2019 and 2021. We predict that this figure will have risen yet again in 2022. The rate of alcohol harm is directly linked with its affordability, and recent inflation has left alcohol relatively affordable compared to other drinks. Office for National Statistics data shows that between 2021-22, the price of juice increased over three times as much as beer and wine (16.7% compared to 5.4% and 2%), meaning that a 2 litre bottle of high-strength cider is cheaper than orange juice in some supermarkets.

The World Health Organization recommends reducing the affordability of alcohol as the most cost-effective way of reducing alcohol harm. Deaths from alcohol-related liver disease fell when the alcohol duty escalator – an annual 2% increase above inflation between 2008 to 2012/13 – was in place. Modelling of a reintroduction of the alcohol duty escalator from 2020 until 2032 predicted it could prevent over 5,000 deaths, over 160,000 hospitalisations, and save healthcare services over £800 million. This model was based on the previous duty system; a duty escalator under the new system could return even greater benefits.

Furthermore, alcohol-related crime places a huge strain on society, last estimated to cost £11.4 bn annually, with more than 700,000 alcohol-related violent incidents reported each year in England and Wales. There is strong and robust evidence that increasing alcohol taxes is associated with reduced rates of violence. We understand concerns about the impact of duty on the hospitality industry, however, alcohol duty makes up more of the price in the off-trade than the on-trade (36% compared to 12%), and thus duty cuts and

freezes actually allow shops to undercut pub prices. Between 2012-2019, beer duty was cut in real terms, yet beer sales in pubs fell by 17% while supermarket sales increased by 11%. Draught relief in the new duty system supports the hospitality industry; if further support is needed, reducing business rates or reducing VAT on food in pubs would be a better alternative to duty cuts.

Overall, the new alcohol duty system is a very welcome step, ensuring that more harmful drinks cost more. So that the benefits are not lost through future inflation or cuts to duty, the government should now follow up by introducing an automatic annual 2% above inflation uprating mechanism. Last year's increase cannot be a one-off but needs to be part of a long-term plan to reduce alcohol harm, lessen pressure on our healthcare system and improve our economy.

We look forward to your response and hope to continue working together to tackle alcohol harm.

Yours sincerely,

Professor Sir Ian Gilmore, Chair of the Alcohol Health Alliance

Dr Katherine Severi, Chief Executive, Institute of Alcohol Studies

Dr Sarah Clarke, President, Royal College of Physicians

Greg Fell, President, The Association of Directors of Public Health

Dr Fiona Donald, President, Royal College of Anaesthetists

Professor Phil Banfield, Chair of Council, British Medical Association

Professor Rob Poole, Professor of Social Psychiatry, Bangor University

Professor Jonathan Shepherd CBE, Director, Violence and Society Research Group at Cardiff University

Professor Simon Moore, Chair, Violence and Society Research Group at Cardiff University

Dr Tim Cross, British Association for the Study of the Liver

Dr Ashwin Dhanda, FRCP PhD, British Association for the Study of the Liver

Dr Julia Lewis, Consultant Addiction Psychiatrist

Dr Adrian Boyle, President of the Royal College of Emergency Medicine

Dr Richard Piper, Chief Executive, Alcohol Change UK

Professor Colin Drummond, Professor of Addiction Psychiatry, King's College London, and Chair of the Medical Council on Alcohol

Professor Jamie Brown, Professor of Behavioural Science and Health, Director of Tobacco and Alcohol Research Group, University College London

Dr Sheila Gilheany, CEO, Alcohol Action Ireland

Professor Kevin Fenton, President, Faculty of Public Health

Dr Peter Rice, President, European Alcohol Policy Alliance

Natalie Day, Chief Executive, The Foundation for Liver Research

Pamela Healy OBE, CEO, British Liver Trust

Dr Zul Mirza, Consultant in Emergency Medicine, Royal College of Emergency Medicine

Dr Giota Mitrou, Director of Research, Innovation and Policy, World Cancer Research Fund

Dr Christopher Record, Liver Specialist, Newcastle University

Paul Rompani, CEO, DrugFam

Professor Frank Murray MD, Consultant Gastroenterologist, Royal College of Physicians of Ireland

Dr Anna Livingstone, Doctors in UNITE

Justina Murray, CEO, Scottish Families Affected by Alcohol & Drugs

Diane Goslar, Addictions Faculty Patients and Carers Liaison Group, Royal College of Psychiatrists

Mike Trace, CEO, Forward Trust

William Roberts, CEO, Royal Society for Public Health

Claire James, Director of Nursing, Change, Grow, Live

Pauline Campbell, Chair, Northern Ireland Alcohol and Drug Alliance

Tim Mitchell, President, Royal College of Surgeons of England