Expert views on introducing a “polluter pays” tobacco control fund in the United Kingdom: a qualitative study

1. Introduction

Tobacco use places a massive burden on UK society. Smoking is the biggest cause of preventable illness and avoidable death in the UK, accounting for 115,000 deaths per year\(^1\). It is the single biggest preventable cause of cancer in the UK, causing at least 15 different types of cancer, amounting to 54,300 cases in 2015\(^2\). It is estimated that the treatment of smoking-related illnesses in England alone costs the NHS approximately £2.4 billion a year\(^3\), and that smoking in England costs society a further £10 billion in social care, productivity loss, and house fires every year\(^3\).

In the UK, decades of tobacco control initiatives have played an important part in bringing adult smoking prevalence down from over 40% in the 1970’s to a record low of 14.7% in 2018\(^4\). Despite these reductions, more effort is needed to achieve the UK and devolved governments’ ambitions for a smoke or tobacco-free UK, which is widely accepted as adult smoking prevalence below 5%. This includes action to help those who currently smoke to quit, e.g. through mass media campaigns, or increased funding and provision of stop smoking services, however cuts to public health budgets, particularly in England, have made this difficult\(^5\).

It has been proposed that the tobacco industry (the “polluter”) should pay for the burden that they place on society through a “polluter pays” tobacco control fund — and the UK government has recently stated that it is willing to review such proposals\(^6\). Funds would be collected from the tobacco industry (e.g. annually) and would be ring-fenced to be spent specifically on activity that aims to reduce smoking and its concomitant harms. Similar “polluter pays” approaches are already in place to support tobacco control in France and the United States.

The most appropriate design for a tobacco control fund in the UK, and the mechanisms for implementing such a policy, are yet to be fully determined. Broadly speaking, some potential mechanisms include: a revenue-based levy, whereby the tobacco industry is charged a fee proportional to total revenue or sticks/unit of volume sold; a profit-based levy; or a cap to wholesale prices charged by tobacco manufacturers\(^7\). Previously HM Treasury has dismissed such levies\(^8\), stating that the on the tobacco marketing would be similar to a duty rise, with tobacco manufacturers/importers passing the levy onto consumer prices.

One alternative mechanism, referenced in the UK government’s 2019 prevention green paper\(^6\), is based on the Health Act 2006. This act provides the Department of Health and Social Care (DHSC) with powers to raise money directly from industry under primary legislation, for example through the Pharmaceutical Price Regulation Scheme (PPRS)\(^9\). ASH has proposed that, under similar legislation, the DHSC may be able to take a fixed amount of funds from the tobacco industry annually, ensuring a consistent funding support for local tobacco control that is independent from industry profit and smoking rates\(^10\).

The Cancer Policy Research Centre would like to fund a study that explores the perspectives of experts on how a “polluter pays” tobacco control fund could be implemented in the UK. We invite research proposals to be submitted with the details as set out in this brief.
2. Study aims and key policy questions

This research aims to explore the perspectives of expert stakeholders on whether, and how, a “polluter pays” tobacco control fund could be implemented in the UK, and what impact this may have. Examples of the key research and policy question we would like to answer include:

1) What are the potential mechanisms implementing for a “polluter pays” tobacco control fund, and how feasible is it to introduce these in the UK?
   - Proposals should include a version of the Health Act 2006 mechanism described above, as well as other alternative models – we are open to applicant suggestions as to what these alternative models could be.

2) What are the practical and political considerations of implementing a “polluter pays” tobacco control fund, including potential barriers and opportunities in implementation?

3) What are the potential health and economic benefits of a “polluter pays” tobacco control fund? How could the funds collected be most effectively spent?

4) Have similar “polluter pays” funding mechanisms been used in another context/country and, if so, what knowledge can be gained from these examples?

5) Could there be unintended consequences of a “polluter pays” tobacco control fund (for example, from tobacco industry behaviour, the impact on tobacco ‘consumers’, and the impact on illicit trade)?

Note that this list of questions is not exhaustive and we encourage applicants to add to this if it would fit their proposal.

3. Methodology details

We are open to hearing your proposals on how best to approach this research, although we would expect proposals to reflect the following criteria:

- Qualitative approach, such as interviews, with a breadth of key expert stakeholders.
- Sampling frame including 5-6 stakeholder groups, with approximately 3-4 individual interviews conducted within each group.

We are keen that this study should reflect the views of a mix of stakeholders. Below is a list of potential groups. This list is not intended to be prescriptive or exhaustive, and we would welcome researchers’ views on which stakeholders (or others) to approach and/or prioritise.

- Legal experts
- Economists
- Financial or tax advisors
- Industry experts or representative bodies
- Charities and harm-reduction groups
- Academics / researchers
4. Outputs

The product of the research will include:

- A policy report including
  - An executive summary of key findings
  - A summary of the methodology used and its strengths and weaknesses
  - A full account of all research findings, with a critical comparison of different funding mechanisms
- A debrief presentation at the CRUK offices

*This list is not exhaustive and additional outputs may be considered.*

5. Timelines

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<tr>
<th>Deadline for proposals</th>
<th>COP Monday 10th February</th>
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<tr>
<td>Funding decision</td>
<td>w/c 24th February</td>
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<tr>
<td>Report delivered</td>
<td>Autumn (dates negotiable)</td>
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A full research proposal giving a detailed methodology and budget breakdown should be submitted by **COP Monday 10th February**.

All proposals will be independently peer reviewed in mid-February and the decision will be shared in early March. The chosen applicants will be invited in March to finalise the project plans and key deliverables and discuss contract terms with a view to starting the study in April.

Project timelines should target submission of the report in autumn 2020 (dates are negotiable, however will need to be fully justified).
6. Submission details

The research proposal should include:

- Introduction/Background
- A detailed methodology
- All intended outputs
- Timelines
- Breakdown of the budget (costs should include VAT where applicable)
- Expertise of staff working on the project (CV’s should be included)
- Governance structures at the organisation
- Perceived risk and the mitigation steps that will be taken

Please send your expression of interest to Dr Tim Coker* as soon as possible, with the aim to send a full proposal through our Electronic Grants Systems by close of business on Monday 10th February.

*Dr Tim Coker, Researcher, Cancer Policy Research Centre, 0203 469 5069.

7. References

8. HM Treasury & The Rt Hon George Osborne. Summer Budget 2015. 2015.