

# Alcohol & Tobacco Pricing and Tax Policies



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SHAPING PUBLIC HEALTH POLICIES  
TO REDUCE INEQUALITIES AND HARM

## Alcohol & Tobacco Pricing and Tax Policies

Increasing the price of alcohol is among the [most effective](#) and cost-effective policy options for reducing alcohol consumption and related harms.

**Tobacco use is a major contributor to health issues, premature death, and health inequalities in Scotland, with approximately 16% of all deaths in Scotland linked to smoking, In England in 2022, there were 7912 alcohol specific deaths, which is the highest figure since records began, and 942 260 hospital admissions were linked to alcohol.**

Of households that purchase both tobacco and alcohol, those in the lowest income groups are most exposed to price increases<sup>1</sup>, and prices paid are patterned by age, gender, and social class.

Pricing and tax policies are considered '[best buy](#)' [options](#) for addressing the health harms associated with consumption of alcohol and tobacco. The UK Government and the Scottish, Welsh and Northern Irish devolved administrations have all been interested and active in policy development and implementation, with SPECTRUM researchers playing a key role in providing relevant evidence.

## Impacts

The Sheffield Tobacco & Alcohol Policy Model (STAPM) has been developed and adapted through the SPECTRUM collaboration and related research and commissioned consultancy projects. Through extensive engagement with governments in all four nations, it has been used to provide evidence in support of public health policy making. This includes informing: minimum unit pricing of alcohol and the exploration of a minimum price for tobacco in Scotland; alcohol pricing in Wales; alcohol pricing in Northern Ireland and the Republic of Ireland; and alcohol and tobacco duties at UK level.

### Minimum unit pricing of alcohol in Scotland

In Scotland, the 50p minimum price per unit (MUP) for alcohol implemented in 2018 was evidenced and supported by Sheffield modelling work estimating its potential impact<sup>2</sup>. The [large multi-component evaluation](#) evidenced its actual effects. The Scottish Government then commissioned SPECTRUM researchers to use STAPM to report on potential outcomes of different options for uprating the value of the MUP. [The report](#) showed it would need to be at least 60p per unit to account for inflation. In September 2024, the Scottish Government decided to implement its revised 65p MUP, which STAPM estimates will (compared to 'no change') reduce deaths over 20 years by -3,837, hospital admissions by -49,181 and reduce inequalities (-6,527 deaths in people living in the 20% least deprived areas, but -15,373 in the 20% most deprived areas).



## Potential minimum pricing for tobacco in Scotland

The Scottish Government is also considering policy options around a minimum price for tobacco. This would particularly affect cheap hand-rolled tobacco. SPECTRUM researchers were commissioned by Public Health Scotland to report on the potential impacts of such a policy. The 2024 [report](#) found that a 60p minimum price per cigarette (0.5g tobacco) would raise the price of all hand-rolled tobacco products and the price of the cheapest factory-made cigarettes<sup>3</sup>. STAPM estimates that a minimum price of 60p would reduce smoking prevalence in Scotland by -0.38% from 14.2% to 13.82%. By Scotland's tobacco-free (defined as smoking prevalence of 5% or less) target year of 2034, this is estimated to reduce deaths by -285 and hospital admissions by -1,467.

## Alcohol pricing in Wales

The Welsh Government implemented a 50p MUP for alcohol in March 2020, supported by [evidence on its potential impact using the Sheffield model](#)<sup>4</sup>. STAPM has been updated and adapted for Wales and the team are currently (Spring 2025) conducting a commissioned project to examine potential impact of different MUP uprating options.

## Alcohol Pricing in Northern Ireland and in the Republic of Ireland

Sheffield modelling has been used to inform policy development on MUP in Ireland. A consultation was conducted in Northern Ireland in 2022 based on the research team's report and is still considering implementation after the Northern Ireland Assembly re-opened in February 2024. In the Republic, Sheffield modelling was commissioned to analyse potential impact of options<sup>5</sup> and in January 2022 the Republic of Ireland implemented a MUP of 1 per standard drink (equivalent to 10 grams of pure alcohol).

## UK Government Alcohol Duty

Through SPECTRUM and a related NIHR project ([SYNTAX](#)) STAPM has developed a specific tax analysis module (TAX-sim), that enables joint appraisal of alcohol and tobacco tax policies. A large report from this work was submitted to the UK Government's Alcohol Duty Reform consultation in January 2022. Brexit enabled the Government to undertake the largest reform to the alcohol tax system in 30 years, with changes implemented in August 2023. The analysis<sup>6</sup>, published in the [Lancet Public Health](#), showed that the actual implemented reforms would have very small effects on alcohol related deaths and hospital admissions in England, and that alternative policies which increase currently low tax on ciders, to align more generally with other beverage category tax rates, could have substantial effects (-74,465 deaths prevented over 20 years, -707,216 hospital admissions).



## UK Government Tobacco Duty

SPECTRUM researchers at the University of Sheffield have also built infrastructure to enable quick turn-around of analyses as the budget announcements are made and implemented this to model the Autumn Budget in October 2024. The research team then reported findings within five days in a [budget impact](#) analysis<sup>7</sup> that the announced 12% above inflation rise in HRT specific duty (10% above the business-as-usual policy to raise duty by inflation + 2%) to be implemented immediately following the Budget would be to reduce deaths in the next five years by -307 and hospital admissions by -1,271.

### Next Steps

There are a range of other policies that can be analysed using the STAPM platform beyond price and tax.

These include:

1. Age of sale policies for tobacco
2. Increased access to smoking cessation
3. Screening and brief interventions for alcohol
4. Availability and uptake of no and low alcohol products (NoLo)



## References

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