

REPORT FOR: Harrow Health and Well Being Board

Date of Meeting: 11 May 2016

Subject: **INFORMATION REPORT – Illicit
Tobacco in Harrow**

Responsible Officer: Dr Andrew Howe
Director of Public Health

Exempt: No

Wards affected: All

Enclosures: None

Section 1 – Summary

This report describes the reasons why illicit tobacco is an important area for tobacco control to address. It describes the work being undertaken across London and in the North West London networks as well as the work being undertaken in Harrow.

FOR INFORMATION

Section 2 – Report

Tobacco and inequalities

Health inequalities are preventable differences in health outcomes between different population groups. Both smoking uptake and quitting are highly patterned by social inequalities or disadvantage: people in more disadvantaged groups have higher smoking rates, tend to smoke more cigarettes per day and are less likely to quit than those from affluent or professional groups. Smoking directly links to poverty and it has been estimated that if tobacco costs were removed 365,000 children and 855,000 adults would be lifted out of poverty across the UK.

In addition to socio-economic status and its links to -education, income and employment, smoking also show inequalities according to:

- Gender: Males smoke more than females in all age groups and all ethnic groups.
- Ethnicity: certain ethnic groups smoke more than others e.g Bangladeshi and Turkish men
- Lone parenthood: Lone parents smoke more than two parent households and this is seen more in women
- Mental health problems: People with mental health conditions die on average 10-20 years earlier than the general population and smoking is the single largest factor in this shocking difference. Around one third of adult tobacco consumption is by people with a current mental health condition] with smoking rates more than double that of the general population. People with a mental health condition are just as likely as other smokers to want to quit, but because they are more likely to be heavily addicted to smoking, they need more support to be successful.
- Youth offenders and prisoners are more likely to smoke
- Sexual orientation: lesbian, gay, bisexual people have higher rates of smoking than the general populations
- Other excluded groups: higher rates of smoking include travellers and homeless people

Tobacco and Smoking in Harrow

In Harrow, 13.1% of adults (16+) are current smokers. This is a slight increase from the smoking rate of the previous year but is still lower than the national average. The rate of smoking in people in routine and manual jobs is

higher than the average at 20.7% which is also lower than the national rate for people in routine and manual occupations.

Illegal Tobacco

Illegal Tobacco includes non-duty paid smuggled tobacco which are often UK manufactured brands; counterfeit tobacco packs; and mass produced and factory-made illegal cigarettes known as 'cheap whites'. Since 2000, when large scale smuggling of genuine cigarette brands to the UK decreased, the proportion of cheap whites increased. Cheap whites are cigarettes mass produced often quite openly and at known locations, mostly outside the European Union, but are primarily intended for the illegal market of another country. These factories are either not or at best minimally subject to national controls and can buy sophisticated machinery without risk of confiscation. The best known cheap white brand in the UK and the rest of Europe is Jin Ling, a cigarette brand with a Chinese name, manufactured in the Free Zone of Kaliningrad by the Baltic Tobacco Company. Cheap whites accounted for 46% of large scale cigarette seizures in the UK.

There are a number of reasons why we need to be concerned about illegal tobacco.

1. Cheap prices keep smokers smoking. One of the known actions to reduce smoking rates at a population level is the implementation of fiscal policies which increase taxation on tobacco products over the rate of inflation. Lack of affordability of legal cigarettes and low prices of illegal tobacco are factors that make disadvantaged and younger or underage smokers more likely to buy them.
2. The fact that the tobacco is illegal also undermines other controls on selling tobacco. Age-restrictions on tobacco products are less likely to be adhered to. Restrictions on selling single cigarettes, and in future selling packs of 10, are also not adhered to. Both of these reasons and the cheap prices enable children to smoke.
3. Illegal Tobacco brings crime into communities. Most illegal tobacco is not due to holiday makers or "white van man" bringing in relatively small amounts of tobacco. Illegal tobacco is linked to the mass distribution of cigarettes as a for-profit, criminal activity. Organised crime groups see it as big business – one of low risk and high reward – and part of wider criminal activity. Criminals are aided by the lack of control of the international movement of tax-free cigarettes. Multinational tobacco companies have been implicated in smuggling activities and have been the subject of legal cases to determine the extent of their involvement. Illegal tobacco has been shown to have links to organised crime, loan sharking and funding of terrorism

4. Tobacco taxation does not cover the costs of the harmful impacts of smoking. By definition, illegal tobacco is not subjected to the same taxation as legal products and therefore it further undermines government revenue collection and widens the gap between the tax revenue and the cost of the impact of smoking.
5. Cheaper production costs of illicit tobacco delivered by a black market supply chain, suggest a lower level or even non-existent quality controls. This could be in relation to the tobacco ingredients or the ability of the butt to filter harmful toxins from smoke. The tobacco industry has attempted to badge the cheap whites as more harmful due to this. However, there is no clear evidence of this and one needs to keep in mind that legal tobacco kills at least half of those people who use it in the way it is designed and can not be thought of as safe.

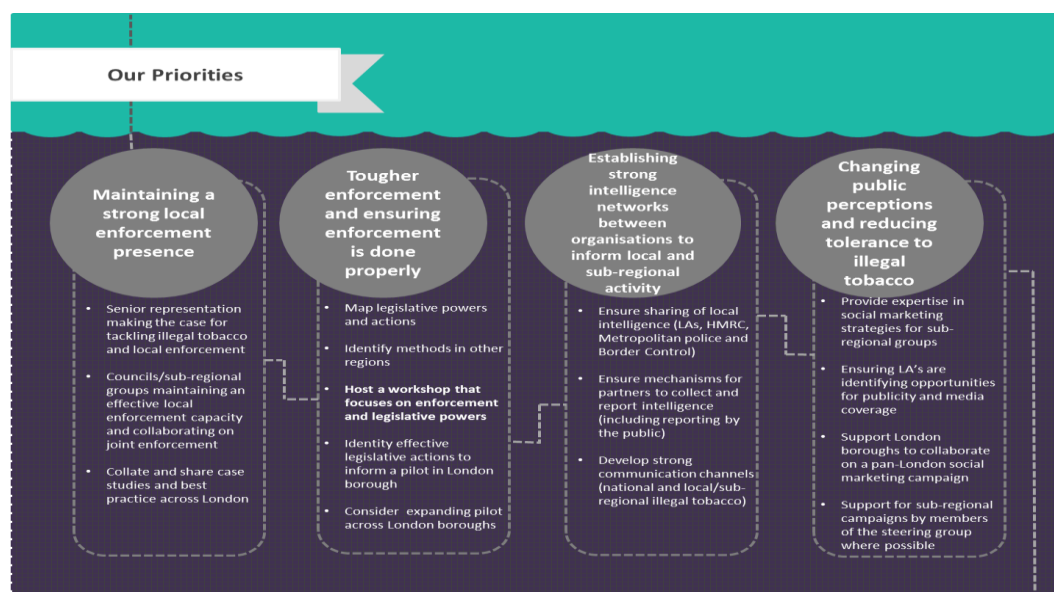
Since November 2011, all cigarettes produced and sold in EU countries must comply with European standards requiring cigarettes to be self-extinguishing if they are left unattended when not being puffed on. Non complainant illegal cigarettes which do not extinguish themselves cause an increased risk of starting a fire.

A further aspect of illegal tobacco is that of under age sales. These sales may be of legal tobacco products or illicit tobacco products to under 18s.

The London Illegal Tobacco Network

The London Illegal Tobacco Network has been formed to coordinate efforts on illegal tobacco issues. The group consists of representatives from most London boroughs covering Public Health, Trading Standards, Environmental Health and communications teams. The network also has representatives from Public Health England.

Table 1 Priorities of the London Illicit Tobacco Network



The network is one of the subgroups of the London Tobacco Network. It has agreed four areas of work:

1. Maintaining an adequate local enforcement presence
2. Tougher enforcement utilising the full range of sanctions available across the system
3. Establishing strong intelligence networks between organisations to inform regional, sub-regional and local activity
4. Changing public perceptions and reducing tolerance to illegal tobacco

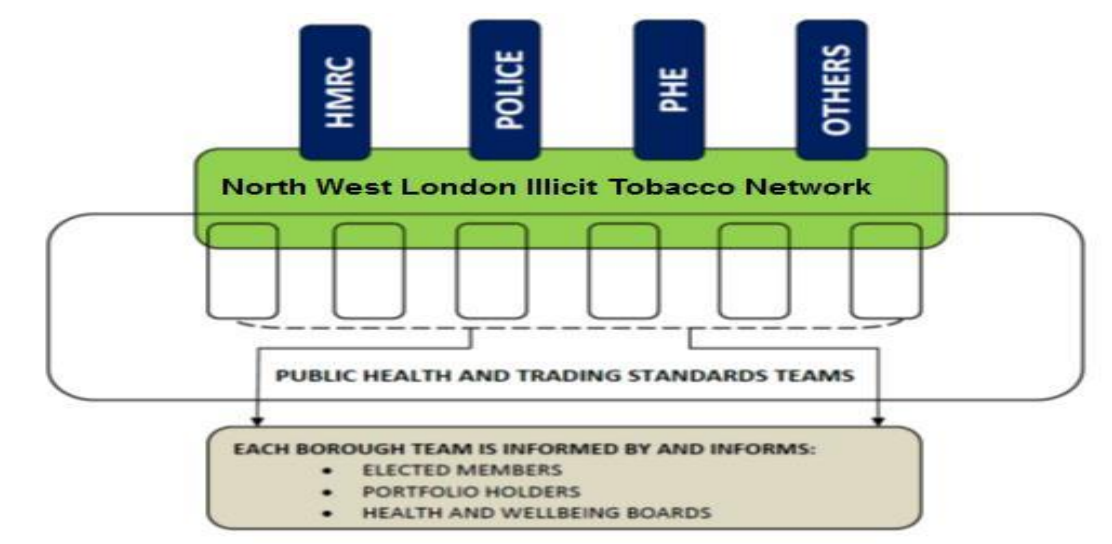
The Pan London Network has held two workshops: the first was on enforcement and legislative power and the second was about working with communications teams to raise awareness. A third workshop is planned. Subnetworks have been established to take forward some of the actions.

The North West London Illicit Tobacco Network

Harrow is part of the North West London network (NWLITN). The other members are Barnet, Brent, Ealing, Hounslow, Hammersmith and Fulham, Westminster and Kensington and Chelsea.

North West London Illicit Tobacco Network aims to coordinate work and share knowledge relevant to reducing the supply of and demand for illegal tobacco across the 8 boroughs. It aims to compliment the work already being done at borough level and gain better efficiency and better outcomes through the joining up of both strategies and work on the ground. By working together we hope to get better evidence on which to make decisions and achieve better engagement with key national or regional partners such as the Metropolitan Police, HMRC and PHE.

Table 2 North West London Illicit Tobacco Network governance structures



The network has agreed the areas of work they wish to work on.

Strategy Development

- Developing joined-up illegal tobacco strategies that address both issues of supply of and demand for illegal tobacco across North West London.
- Exploring strategies and models that have worked elsewhere in the UK or worldwide and exploring their applicability to North West London.
- Ensuring that strategies adopted locally are coherent with regional and national strategies, offer best value and seek innovative new approaches where existing ones may be struggling.

Enforcement

- Cooperating effectively across neighbouring boroughs to make most effective use of resources and expertise relevant to illegal tobacco
- Developing consensus positions and engaging as a group with key partners in tobacco enforcement such as HMRC and the Police able to help each other achieve their desired outcomes. This implies working on duty evasion, counterfeiting, illegal sales and smoker attitudes simultaneously to reduce the supply of illegal tobacco reaching our communities.
- Sharing intelligence on illegal tobacco sale and the illegal tobacco market in North West London.

Research and insight

- Sharing information on illegal tobacco use and the illegal tobacco market in North West London.
- Commissioning new research where appropriate to inform decisions relevant to illegal tobacco work in North West London.

Internal communication and education

- Developing and deploying briefing and training materials including best practice guides for use within teams and with partner organisations in order to develop skills and build confidence on illegal tobacco work.
- Developing joint internal communication strategies and briefing materials in relation to illegal tobacco and tackling both supply and demand.
- Providing consistent, up to date and accurate briefing materials for elected members, regulatory professionals, health workers, policy makers and commissioners.

External communication and education

- Developing and delivering consistent and clear key messages on illegal tobacco for the general public, relevant businesses and other partners locally.

Using the evidence from the other London Sector groups, the NWLITN has commissioned Cheap Tobacco prevalence surveys to be undertaken in each borough to both gather information about the extent of the issue locally, to look at attitudes to illicit tobacco which will inform our communication strategy and to gather local intelligence which will inform future enforcement activities. These activities will take place between April and June 2016.

What we know about the scale of Illegal Tobacco in Harrow

Trading standards respond to local intelligence on illegal tobacco products. This information comes from a number of sources including members of the public, local business owners, HMRC or from other council departments. In addition, there is a programme of testing for infringements of sales of age restricted products. This includes tobacco products, alcohol, knives, butane and, since October 2015, e-cigarettes.

In December 2015, Trading Standards also took part in 'Operation Henry 2', working with an external dog handler who had sniffer dogs that were trained to sniff out tobacco. This is because retailers selling illicit tobacco, often go to considerable lengths to hide their illegal stock to avoid it being found and seized. Trading Standards had found tobacco concealed in an unused freezer, hidden in boxes and sweet tins labelled as something else, behind a false wall panel and secured on the underside of a newspaper stand.

Operation Henry 2 led to finds of a number of tobacco products which were non duty paid and had no English statutory health warnings displayed on them. The operation took place in the Edgware area, the investigations are currently yet to be concluded.

The table below shows the activities undertaken since 2011. The London Illegal Tobacco Group has identified that fines for illegal sales are low compared to the profit that traders can make by selling these products. Engagement and training of magistrates on tobacco issues is one of the pan-London work streams.

Table 3 Trading Standards Illegal Tobacco Activities 2011-2016

	<u>No.</u>	<u>Outcomes</u>	<u>Other Tobacco infringements</u>
2011-12			
Under age sales attempts	83	One Trader was fined £1000.00 + Costs of £790.00	Brent and Harrow proceeded with a legal prosecution under Consumer Protection Act - Tobacco Products Manufacture, Presentation and Sale Safety Regulations 2002 (Tobacco labelling-not displaying the correct warning), the company in question was given a conditional discharge and £450.00 costs.
Illegal Under Age sales made (cigarettes)	11	Another was fined £230.00 + Costs of £230.00	
Oral / Paan	0		
Vending Machines	0	Others given simple cautions and letters of warnings.	
Shisha	0		
e-cigarettes*	N/a		
Tobacco related age restricted products	2 sales of butane		
2012-2013			
Under age sales attempts	19	One trader fined £230.00 + Costs of £230.00 Another trader was given a conditional discharge of 12 months ordered to costs of £790.00	Three offences prosecuted under Consumer Protection Act - Tobacco Products Manufacture, Presentation and Sale Safety Regulations 2002 (Tobacco labelling-not displaying the correct warnings). Fines and punishment varied.
Illegal Under Age sales made (cigarettes)	2		
Oral / Paan	0		
Vending Machines	0		
Shisha	0		
e-cigarettes*	N/a		
Tobacco related age restricted products	-		
2013-2014			
Under age sales attempts	17	The 1 sale that took place that year resulted in simple caution, i.e. the details stay on file, but they do not get prosecuted, however it will be taken into account if they are caught selling again	There were 7 cases RE: Consumer Protection Act - Tobacco Products Manufacture, Presentation and Sale Safety Regulations in Harrow, actioned varied from Simple Cautions, letters of warnings or No Further Action.
Illegal Under Age sales made (cigarettes)	1		
Oral / Paan	0		
Vending Machines	0		
Shisha	0		
e-cigarettes*	n/a		
Tobacco related age restricted products			

2014-2015			
Under age sales attempts	18	One of the sales also resulted in tobacco being found, infringing Consumer Protection Act - Tobacco Products Manufacture, Presentation and Sale Safety Regulations 2002. It resulted in a legal prosecution, they were fined £2,000 for 2 separate offences, costs of £1,151 and a victim surcharge of £100.00.	Altogether there were 8 cases RE: Consumer Protection Act - Tobacco Products Manufacture, Presentation and Sale Safety Regulations in Harrow. Once again the punishments varied.
Illegal Under Age sales made (cigarettes)	2		
Oral / Paan	0		
Vending Machines	0		
Shisha	0		
e-cigarettes*	0		
Tobacco related age restricted products			
2015-2016			
Under age sales attempts	54	One of the underage sales concluded with a letter of warning and the other with a fine of £150.00 plus costs.	7 cases under the Tobacco Products Manufacture, Presentation and Sale Safety Regulations resulting in 3 legal prosecutions, these resulted in fines and legal costs. The remaining 4 were given letters of warnings and Simple Cautions.
Illegal Under Age sales made (cigarettes)	1		
Oral / Paan	0		
Vending Machines	0		
Shisha	0		
e-cigarettes*	1		
Tobacco related age restricted products			

Section 3 – Further Information

The need for additional activities arising from the survey will be discussed and the carried forward funding has been set aside to cover this. These are likely to include additional enforcement activities such as operation Henry, awareness raising activities and a communications campaign such as South

East London's Illegal Tobacco: Kick It Out campaign across north west London.

Section 4 – Financial Implications

The work of the Trading standards team in investigating illegal tobacco and undertaking underage sales activities is provided in the long standing agreement Harrow has with the London Borough of Brent to provide a joint Trading Standard Service.

The funding for illegal tobacco work was identified from the 2015-16 Tobacco Control/ Smoking cessation service budget which is part of the Public Health ring-fenced grant. As setting up the NWLITN and establishing the action plan took longer than expected the funding has been carried forward into 2016-17 to enable the work to be completed. The cheap tobacco survey was funded from this budget during the last financial year, with funding carried forward for the additional activities arising from the survey to be carried out once the actions have been agreed.

The Council, in February 2016, approved the final revenue budget for 2016/17 and Medium Term Financial Strategy (MTFS) for 2016/17 to 2019/20. Over the term of the MTFS savings of £52.4m were required to enable a balanced budget to be agreed.

In agreeing the MTFS, Cabinet agreed that the Tobacco Control / Stop Smoking budget would cease at the end of March 2017. As a result, there will be no further tobacco control and the stop smoking activities after this date.

Section 5 - Equalities implications

Was an Equality Impact Assessment carried out? No

If no, state why an EqIA was not carried out below:

The fundamental aim of the tobacco control programme of work is to reduce the inequalities in health and wellbeing caused by tobacco.

Section 6 – Council Priorities

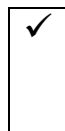
The Council's vision: Working Together to Make a Difference for Harrow

Tobacco control addresses all of the four priorities.

- Making a difference for the vulnerable: Smoking and tobacco disproportionately affects children. Illegal tobacco makes it easier for children to start smoking due to the cost and ability to buy small quantities
- Making a difference for communities: Illegal tobacco brings crime into communities

- Making a difference for local businesses – honest, law-abiding businesses are disadvantaged by the illegal activities of those selling non-duty paid tobacco
- Making a difference for families: Smoking affects families both in terms of health and wellbeing but also financially. Reducing smoking rates in the most disadvantaged families would lift families out of poverty.

Name: Donna Edwards



on behalf of the Chief
Financial Officer

Date: 15 April 2016

Ward Councillors notified:

NO

Section 7 - Contact Details and Background Papers

Contact: Carole Furlong, Consultant in Public Health 020 8420 9508

Background Papers: None