



## HMRC Evaluation of Alcohol Duty Reforms – Response from Balance

1<sup>st</sup> June 2026

Balance is the alcohol denormalisation programme based in the North East of England, delivering a comprehensive evidence-based strategy designed to reduce the harms caused by alcohol use. Balance is collaboratively commissioned by seven local authorities across Northumberland, Tyne and Wear and County Durham and works closely with key national partners including the Office for Health Improvement and Disparities. Balance is a core member of the Alcohol Health Alliance (AHA), a group of non-governmental organisations that work together to promote effective policies to reduce the harm caused by alcohol.

We welcome the opportunity to contribute to the HMRC evaluation of alcohol duty reforms. We strongly believe that the Government has a responsibility to fully utilise the alcohol duty system in the UK to better support public health and to address the avoidable costs to society of dealing with alcohol related harms. We also support the responses submitted from the AHA and the Institute of Alcohol Studies.

Balance does not have any direct or indirect links to, or receive funding from, the alcohol industry or their affiliates. We recommend that, in submissions relating to alcohol duty, respondents are required to declare any links to, or funding from, the alcohol industry or their affiliates, to ensure transparency during the process and avoid any actual or perceived conflicts of interest.

### **Alcohol harms both health and wealth**

Every year, alcohol contributes to around a million hospital admissions, and, in the North East, 52% of the adult population is drinking at increasing and higher risk levels, with evidence now clear that alcohol causes seven types of cancer. Furthermore, alcohol deaths are up [42% in the North East](#) since the Covid pandemic with the worst death rates here in the North East. Alcohol deaths are also rising faster among women.

But alcohol is costing the North East more than just its health: it impacts productivity, workplace culture and the regional economy. For example, a report from the Institute of Public Policy Research – [Taking Stock: Counting the economic costs of alcohol harm](#) – revealed that one in four employees feel pressure to drink at work events, rising to 38% of 18–24-year-olds and that 31% of workers called in sick after work-related drinking, while 22% worked hungover

The economic impact is staggering: alcohol-related absenteeism, lost earnings and reduced productivity cost the North East £225 million annually. When health, crime, disorder and social care costs are factored in, the North East incurs around £1.5 billion each year, with costs across England reaching nearly £27.4 billion.

Balance, along with Directors of Public Health, the Mayor of the North East Combined Authority, Police and Crime Commissioners and the North East and North Cumbria Integrated Care Board, is calling for urgent action on alcohol harm and has developed a [Blueprint](#) outlining a series of recommendations to the Government, including the introduction of pricing policies which improve public health and protect the public purse. These should ideally include a minimum price for alcohol across the whole of the UK, and a fairer alcohol duty system which at least keeps pace with inflation.

Importantly, the public supports such action, with eight out of ten people in the North East thinking that alcohol is a big problem regionally and nationally.

Our response to this evaluation is in the context of the harm that alcohol brings to the North East and is in line with recent submissions made to HM Treasury ahead of Budget statements. While we recognise that this exercise will not include consideration of future potential reforms to the alcohol duty system, nor decisions on duty rates, we feel it is important to include our recommendations on tax policy for context.

### **Our view on alcohol duty and pricing policy**

We welcomed the rises in alcohol duty that came into force in 2023: these were an urgent and necessary step to protect health. The reforms followed a decade of freezes and cuts to alcohol duty during which time there were increases in alcohol-related hospital admissions and deaths, with the worst effects being felt in the North East of England.

While the duty reforms were welcome, these measures are not enough on their own to address the harms of alcohol. To maximise the Government's impact in this policy space, we continue to make the following recommendations, as reflected in the Alcohol Health Alliance and Balance responses to the Autumn Budget 2025:

1. To reintroduce the alcohol duty escalator with an automatic uprating system to ensure taxation keeps pace with inflation. Raising non-draught alcohol tax by 2% above RPI inflation automatically every year would raise £3.4 billion over five years, enough to fund and sustain the salaries of over 37,000 nurses or police officers.<sup>1</sup>
2. Utilise existing measures e.g. draught relief to ensure alcohol duty is targeted at products sold in shops and supermarkets, which have become increasingly more affordable in recent years, and which continue to undercut pubs and restaurants in the on-trade. The affordability of off-trade alcohol (the majority of alcohol consumed) has increased at a much faster rate than on-trade alcohol. The introduction of draught relief means the government can better target off-trade alcohol and support hospitality.
3. End cider exceptionalism by increasing cider duty rates so they align with that of beer of the same strength. Cider is currently subject to a much lower tax rate than beer. Raising cider and beer duty in line with wine and spirits of the same strength could avoid almost 75,000 deaths over a 20-year period, with over half in the two most deprived quintiles.<sup>2</sup>

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<sup>1</sup> Alcohol Health Alliance (2025) [Alcohol Duty Impact Calculator](#)

<sup>2</sup> Morris, D., et al. (2024). [Estimating the effect of transitioning to a strength-based alcohol tax system on alcohol consumption and health outcomes: a modelling study of tax reform in England](#). *The Lancet Public Health*, 9(10), e719-e728

4. Provide increased and sustained investment in alcohol harm prevention and treatment services. Alcohol treatment is very cost-effective, with every £1 spent yielding £3 in social return, increasing to £26 over 10 years.<sup>3</sup> Since 2015/16, the overall public health grant has effectively been cut by more than a quarter (26%) per person in real terms and now stands at £3.9bn, a fraction of the NHS England budget. The largest reductions in spend over this period include drug and alcohol services for adults, at 25% lower.<sup>4</sup> Spend directly correlates to harm: every 5% reduction in yearly spending on alcohol treatment is associated with an extra 60 alcohol-related hospitalisations per 100,000 people.<sup>5</sup>

Alcohol duty increases will be most effective at tackling rates of harm when combined with minimum unit pricing (MUP). MUP targets cheap, high-strength products sold in the off-trade and drunk disproportionately by the heaviest drinkers. MUP in Scotland has successfully reduced alcohol deaths and hospital admissions. Reductions were greatest for men and those living in the most deprived areas, helping to address health inequalities.<sup>6</sup>

### **Proposed changes to the alcohol licensing system may undermine duty reforms**

Increasing alcohol duty will support key Government missions improving growth, health and reducing inequalities. We are therefore deeply concerned by Government proposals, in partnership with industry, to reform the alcohol licensing system, framed as a 'red-tape review' to 'tear up outdated licensing rules' that, in the Government's words 'have been holding back pubs, bars and local events' but which actually exist to protect people from harm, albeit with the potential to be strengthened.

Should the suite of reforms go ahead it will likely increase the availability of off-trade alcohol, which is at the root of most alcohol harm: any small benefits to some premises in the on-trade could backfire as off-licences, corner shops and supermarkets, which already sell 80% of all alcohol, could take advantage of easier access to longer opening hours.

### **National action is needed on alcohol harm**

We welcome Government progress on tobacco through the Tobacco and Vapes Act 2026 and its continued commitment to increasing tobacco duty as part of a broader public health approach, but the effectiveness of action to reduce smoking will be limited without action to reduce the harms caused by alcohol, including measures to reduce affordability.

We are in a public health crisis in relation to alcohol and urgent Government action is needed with coherence across all departments. This evaluation process is one of many opportunities for the Government to act to address the avoidable burden that alcohol use places on society and we would be happy to discuss any element of this submission further.

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<sup>3</sup> Public Health England (2018) [Alcohol and drug prevention, treatment and recovery: why invest?](#).

<sup>4</sup> The Health Foundation (2025) [Investing in the public health grant](#)

<sup>5</sup> Roberts, E. et al. (2021) The relationship between alcohol-related hospital admission and specialist alcohol treatment provision across local authorities in England since passage of the Health and Social Care Act 2012. *The British Journal of Psychiatry*. 218(4):230-232. doi:10.1192/BJP.2020.120

<sup>6</sup> Public Health Scotland. (2023). [Evaluating the impact of minimum unit pricing for alcohol in Scotland: Final report. A synthesis of the evidence](#)