

SDIL Consultation – Obesity Health Alliance Response

Q1. B

The Obesity Health Alliance is a coalition of over 30 charities, medical royal colleges and campaign groups who have joined together to fight obesity. The OHA supports the Government's proposals to introduce a soft drinks industry levy to combat obesity. We believe that the soft drinks industry levy is a vital measure in the fight against overweight and obesity in the UK.

In the UK, we have a childhood obesity epidemic and we need to tackle it now to protect our children from serious disease in later life. We know that obese children are around five times more likely to become obese adults,¹ and obese adults are more likely to develop serious health conditions such as Type 2 diabetes, cancer, liver and cardiovascular disease and associated mental health problems.² Children from the most deprived backgrounds are twice as likely to be obese as those from the least deprived backgrounds.³

In addition to the health impact, obesity has a huge financial impact. The UK currently spends about £6 billion a year on the medical costs of conditions related to obesity and overweight.⁴ This figure is likely to be dwarfed by the indirect costs of obesity due to employers and to society due to unemployment, early retirement and associated welfare benefits.

Excessive free sugar consumption is a driver behind the obesity epidemic and our children consume at least twice as much sugar than is recommended by Government guidelines and sugary drinks are their number one source of sugar.⁵

Evidence suggests reducing the intake of SSBs can reduce individual rates of obesity.⁶ Multiple modelling research studies demonstrate the efficacy of taxes in reducing consumption of sugary drinks, and in turn of reducing overweight prevalence.^{7,8}

A soft drinks industry levy has been backed by public health organisations including individual members of this coalition, the WHO, Public Health England, Food Standards Scotland, and the House of Commons Health Select Committee.^{9,10,11,12} In addition, polling from March 2016 shows 69% of the public support the levy.¹³

Q5.a - Do respondents agree that a definition of 'added sugars' as set out in the consultation is sufficient to capture the types of sugar commonly added to soft drinks?

We accept with the 'added sugar' definition as proposed.

We are broadly supportive of the proposal to exclude unsweetened fruit juices from the levy and recognise the contribution that pure fruit juices contribute the five-a-day fruit and vegetable consumption.

We would like to highlight that Public Health England recommends that pure fruit juice consumption should be limited to a portion of no more than 150mls per day.¹⁴ The majority of single serve pure fruit juice products on the market are currently more than this. This is an area of concern as it encourages over-consumption of free sugars.

Q5.c – Do respondents agree that the Fruit Juices and Fruit Nectars (England) Regulations 2013 provide a reasonable reference point for legislation which achieves the aim of keeping pure fruit products outside of the scope of the definition of added sugars?

There is a risk that pure fruit products could be used to sweeten soft drinks to replace added sugar.

It will be vital to have robust monitoring systems in place to identify any unintended consequences of the exclusion of pure fruit juice from the levy, such as increased consumption due to consumers switching from soft drinks or increased use of pure fruit juice in the manufacturing process to replace added sugar. This reporting should be made publically available.

Q6 – Would requiring liable producers and importers to pay the levy on cordials and dilutables at diluted volumes present reporting or compliance problems for particular businesses? If so, please provide evidence and suggest any alternative approaches.

We support the proposal to tax dilutable cordials, squash and syrups according to diluted volumes at their recommended dilution ratio as stated on the packaging.

Ongoing monitoring of consumption of dilutables will be vital to ensure that consumers do not compensate for the reduction in sugar by increasing the volume of the concentrate. This data should be made publically available.

Q7 – Respondents are invited to submit views on the treatment of liquid drinks flavourings as regards the soft drinks industry levy.

Liquid drinks flavouring can represent a significant addition of sugar to drinks. We therefore support their inclusion in the levy with separate thresholds and rates.

Q8 – Do respondents agree that a minimum proportion of 75% milk is necessary to ensure that only nutrient-rich milk drinks are exempt from the levy? If not, what alternative test or treatment would you propose and why?

We recognise the health benefits that milk plays in providing nutrients to the diet. However milk based drinks with added sugar do not promote healthy eating habits.

We do not support the proposal of exempting drinks with a minimum proportion of 75% milk as we believe this proportion is too low.

We propose that an alternative test be used: that only milk drinks with under 5% added sugar should be exempt from the levy. The existing School Food Standards are clear that drinks with more than 5% added sugars or honey are considered 'less healthy' and thus are not allowed to be served to children at any time during the school day. In the context of dairy drinks which are more than just pure milk, the Standards define 'healthier drinks' as: "combinations of fruit juice and lower fat milk or plain yoghurt, plain soya, rice or oat drinks enriched with calcium; cocoa and lower fat milk; flavoured lower fat milk, all with less than 5% added sugars or honey."¹⁵

The School Food Standards were drawn up by an Expert Panel, with guidance from academics and Public Health England, and were passed into law after an extensive public consultation. It would make sense both from the evidence and out of consistency to use the same definition for the levy.

Manufacturers have shown that they are able to work out which of their drinks are under the 5% threshold – i.e. compliant with the Standards, and thus able to be sold into schools – and which are not. They have also been incentivised by the Standards to reformulate existing products or bring out lower or no added sugar products which are compliant.

In the wider sector, major brands are showing that bringing out no sugar or low-sugar added versions of their top-sellers is both technical feasible and supported by market demand. In the past few months, Yazoo has launched a new trio of no-added sugar drinks and Muller has extended its 40% less sugar Frijj lineup. There is a real danger that by excluding almost all dairy drinks from the levy, this incentive and public push for manufacturers to reduce the sugar in their products and/or bring out no-sugar versions will be significantly reduced.

Q10 – Do respondents agree with the proposed treatment of candy sprays, ice lollies, and dissolvable powders?

We support the exclusion of ice lollies from the levy.

However, we believe candy sprays should be included within the scope of the levy. These products are composed of sugar sweetened soft drinks, frequently with significant added sugar content. We found examples of products where candy spray contained 31grams of sugar in a single serving¹⁶ which was three times more sugar per 100g than when sold in a bottle¹⁷ with very similar ingredient profile.

In addition some candy spray products are marketed under the same brand as popular sugar sweetened soft drinks and represent an opportunity for brands to build brand loyalty with children.

Q13 - Respondents are invited to submit any evidence that the final levy design could have potentially adverse impacts on groups with protected characteristics.

We agree with the impact assessment conclusion that adverse impacts on groups with protected characteristics will be negligible.

The soft drinks industry levy will help make all groups healthier by encouraging soft drinks manufacturers to reduce sugar from their products and encourage people to consume healthier choices. The levy also has the potential to address broader inequalities, as children from the most deprived groups are significantly more likely to be overweight or obese than their peers from affluent backgrounds.³

Q20 – Do respondents agree products which are given away free of charge should still be liable to the levy? If not, please provide examples of where relief may be appropriate and why.

We support the proposal to include products which are given away free of charge in the levy. Free sampling of products is an established marketing technique. The OHA strongly supports greater protection for children from marketing of unhealthy food and drinks products across the board. We are concerned that excluding free products from the levy would create a loophole meaning sugary drinks could be marketed to children.

Q25 – Should added sugar soft drinks imported into the UK for consumption while travelling internationally be exempted from the levy, provided evidence is provided that the drinks have left the UK? If not, why?

We believe these products should not be exempt from the levy. There should be consistency of

approach for UK importers or manufacturers regardless of where the products end up being consumed. Exempting these particular products would create a loophole and sends a mixed message

Q40 – Do respondents agree that the above proposals for compliance and penalties are appropriate?

We agree that penalties are an important measure to encourage manufacturers and importers to comply and create a level playing field. We support the proposals for compliance and welcome HMRC's commitment to ensuring that the levy is enforced.

Q43 – Do respondents have any other concerns or suggestions around potential compliance risks?

The Obesity Health Alliance strongly welcomes the introduction of the soft drinks industry levy. To ensure it has the greatest impact on protecting children's health, it is vital that it is evaluated so that it can be refined and adjusted to continually deliver public health gains.

We encourage the Government should fund a rigorous evaluation of the soft drinks levy that should be conducted and published independently of Government. This should include analysis of consumer retail data (including products not included such as milk based drinks) and analysis of consumption trends.

We believe that the following should be part of the remit of the evaluation:

- An examination of consumer retail data to examine changes in trends and sales of SSBs, products not covered by the levy including likely substitutes and complements, and changes in retail prices of the above products.
- An examination of consumption data trends for SSBs using existing dataset such as dietary surveys and additional relevant information like the Wales Public Health Outcomes Framework.
- An examination of the dietary consequences of the soft drinks industry levy including changes in consumption patterns for SSBs subject to the levy, products not subject to the levy including both likely substitutes and complements. Such a survey should be large enough to provide insight into patterns within sub-groups by age, gender and socioeconomic status.
- A review of the soft drinks industry practices in response to the levy including action on reformulation as a result of the levy, product size changes, pricing strategies, and marketing and promotional activities.

- A review into consumer attitudes towards the levy and sugar consumption to understand consumer behaviour in response to the levy.

Evidence from other countries with similar taxes suggest that these types of tax are most effective when there is a price differential between products that are subject to the tax compared to those that aren't at the point of sale.

Therefore, for the levy to be even more effective in protecting children by reducing their consumption of sugary soft drinks, we recommend the following measures:

- Consider adjusting the higher rate of the levy so it increases incrementally in line with the sugar content.
- Consider committing to adjust the rates of the levy in line with consumption.

In summary, we fully support the soft drinks industry levy and are pleased the Government has taken this bold and important first step to protect the future health of children.

¹ Simmonds M et al. (2016) Predicting adult obesity from childhood obesity: a systematic review and meta-analysis *Obesity Reviews*.

² Public Health England (2016) 'About Obesity' http://www.noo.org.uk/NOO_about_obesity/child_obesity/Health_risks

³ Public Health England (2016) 'Health Inequalities' http://www.noo.org.uk/NOO_about_obesity/inequalities

⁴ McKinsey Global Institute (2014). *Overcoming obesity: An initial economic analysis*.

⁵ Public Health England. (2016). *National Diet and Nutrition Survey: Results from Years 5-6 (combined) of the Rolling Programme (2012/2013 – 2013/14)*. <https://www.gov.uk/government/statistics/ndns-results-from-years-5-and-6-combined>.

⁶ Escobar, M., Veerman, J., Tollman, S., Bertram, M., and Hofman, K. (2013). 'Evidence that a tax on sugar sweetened beverages reduces the obesity rate: a meta analysis'. *BMC Public Health*. 13: 1073.

⁷ Collins B, Capewell S, O'Flaherty M, Timpson H, Razzaq A, Cheater S, et al. (2015) Modelling the Health Impact of an English Sugary Drinks Duty at National and Local Levels. *PLoS ONE* 10(6): e0130770. doi:10.1371/journal.pone.0130770

⁸ Briggs, A., et al. (2013). Overall and income specific effect on prevalence of overweight and obesity of 20% sugar sweetened drink tax in UK: econometric and comparative risk assessment modelling study. *BMJ*. 347:f6189

⁹ World Health Organisation. (2016). 'Report of the Commission on Ending Childhood Obesity'. http://apps.who.int/iris/bitstream/10665/204176/1/9789241510066_eng.pdf?ua=1&ua=1

¹⁰ Public Health England. (2015). 'Sugar reduction: from evidence into action'. <https://www.gov.uk/government/publications/sugar-reduction-from-evidence-into-action>

¹¹ Food Standards Scotland. (2016). 'Food Standards Scotland agrees to radical measure to tackle Scotland's diet-related health problems'. <http://www.foodstandards.gov.scot/news/food-standards-scotland-agrees-radical-measures-tacklescotland%E2%80%99s-diet-related-health-problems>

¹² House of Commons Health Committee. 'Childhood obesity – brave and bold action'. <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmhealth/465/465.pdf>

¹³ Ipsos Mori. (2016). 'Political monitor'. <http://www.slideshare.net/IpsosMORI/ipsos-mori-political-monitor-march-2016>

¹⁴ PHE. (2016). Eatwell Guide.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/528193/Eatwell_guide_color.pdf

¹⁵ The School Food Standards (2016). http://www.schoolfoodplan.com/wp-content/uploads/2015/05/School_Food_Standards_140911-V2e-tea-towel.pdf

¹⁶ Vimto double candy spray. Information taken from: <http://www.vimto.co.uk/novelty.aspx#candyspray>

¹⁷ Vimto original still. Information taken from: <http://www.vimto.co.uk/still.aspx#vimtoOriginal>