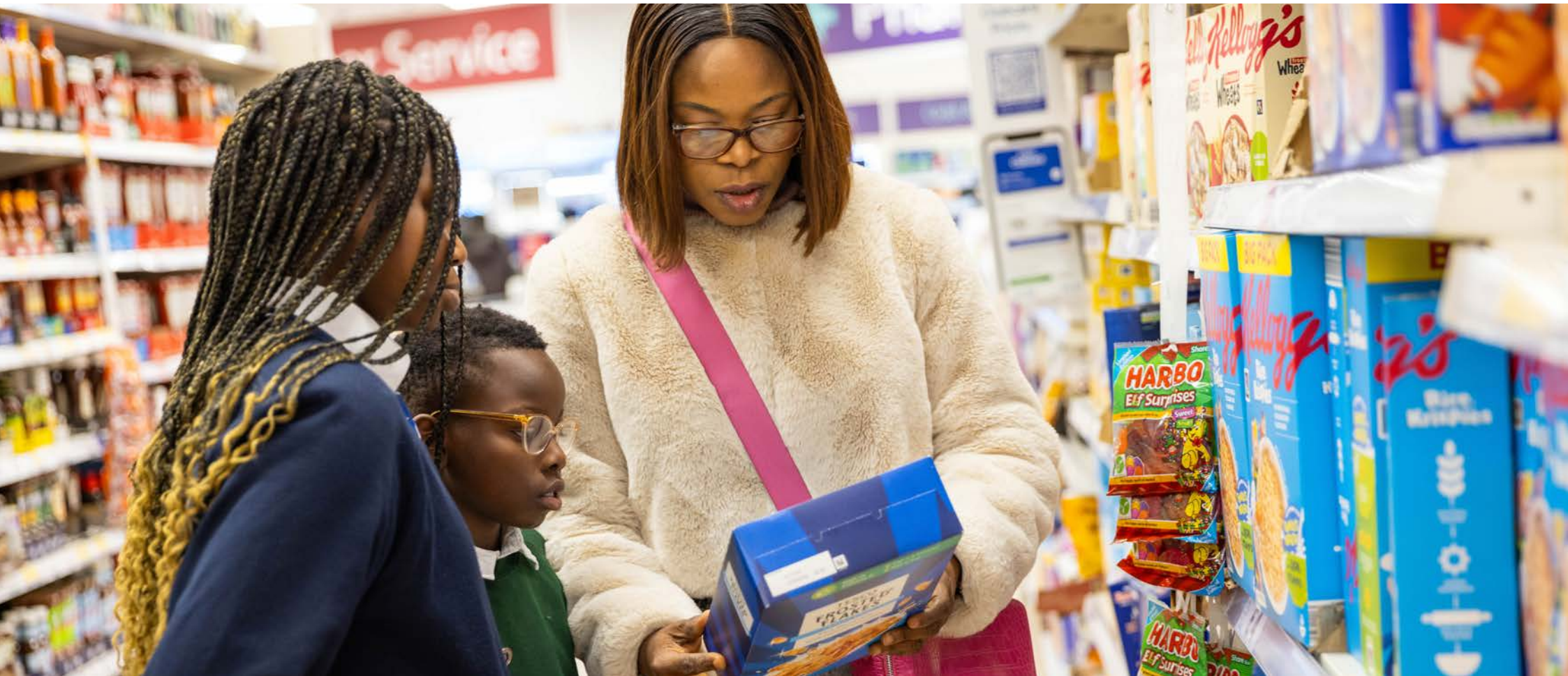


A category-based approach to a manufacturer levy on unhealthy food

Considerations and opportunities



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Introduction

Levies on unhealthy foods are frequently cited as one component of the package of policies needed to address obesity and food-related ill health. Specifically, food levies which are targeted at businesses can provide a fiscal incentive for those businesses to play their role in improving population health by improving the food they sell us. Levies can also play a role in creating a level playing field to ensure that business leaders who prioritise health are not at a disadvantage.

The Recipe for Change campaign is exploring options for a new food levy that can incentivise healthier food supply, and in turn improve diet quality and health outcomes at a population level. There are a number of different approaches to such a levy, from applying a levy to all salt and sugar purchased by food businesses, to targeting specific categories and products which are considered unhealthy and high in sugar and/or salt and making businesses pay a levy based on the nutritional content of those products.

This briefing focuses on the second of these options, specifically we explore some of the considerations needed for a category-based approach, and the food categories that might be prioritised if a levy were designed in this way. The briefing describes some of the implementation questions, before exploring 11 categories of food in detail, looking at factors such as progress to date under reformulation programmes, where it sits within the Eatwell Guide, contribution to diet and public support for a levy on that category. The briefing aims to make the case for using fiscal incentives, such as a food levy, to improve the healthiness of food and increase the progress made on reformulation in the UK. It also highlights some of the areas policymakers should consider when designing any future food levy applied at the category level.

The purpose of this research, alongside the practical considerations outlined, is to highlight the need and opportunities

for further action to incentivise change in the system and encourage businesses to do more to support population health, with a particular focus on reformulation to reduce both sugar and salt, as well as sweetness and saltiness. The latter in particular is important to help retrain public palates and reduce risk of additional additives and sweeteners being added to food.

This briefing sits alongside our report from February 2025, **Incentivising reformulation: The case for fiscal levers to strengthen the UK's reformulation programmes.**

The case for a new levy on food

To date, the UK government has largely relied on voluntary programmes to incentivise reformulation and healthier food supply. However, while there have been some reductions in sugar and salt in certain categories, they have largely failed to trigger the scale of change needed to improve the health of the population.ⁱ One exception has been the Soft Drinks Industry Levy (SDIL) which to date has reduced the sales weighted average sugar in soft drinks by 46% since 2015ⁱⁱ, while raising £300-350 million every year in revenue.ⁱⁱⁱ

Building on the success of the SDIL, the potential of a new levy on food manufacturers is gaining momentum. For instance, Henry Dimbleby's National Food Strategy (NFS)^{iv}, The Institute for Public Policy Research (IPPR)^v, The House of Lords Committee on Food, Diet and Obesity^{vi}, and Chief Medical Officer for England Professor Chris Whitty^{vii} have all supported such levies in recent years.

Furthermore, the public is supportive of such a policy. Polling has shown that 68% of the British public support a new levy on food if revenue is used to invest back into children's health. Additionally, only 13% of the public believe that food companies will make their food healthier without government intervention.^{viii}

The Recipe for Change campaign is focused on two potential approaches to a food levy, both applied to food businesses. The first is the National Food Strategy salt and sugar levy which would be applied to all salt and sugar used in across the board in retail, out of home and catering. This approach is well researched and is estimated to have the potential to prevent 2 million cases of chronic disease over 25 years, and raise £3 billion a year which could be further invested back into health^{ix}.

The second approach being explored by Recipe for Change is a category

approach which could provide an alternative route to impact by focusing on select categories of food known to contribute the most salt and/or sugar consumption across the population. Design considerations and potential impacts of such an approach are currently being explored and are the focus of this briefing.

Feasibility and implementation considerations for a category levy

In order to design a food levy focused on the category or product level, there are a number of considerations related to determining which categories would be included, and how you might define the thresholds at which such a levy was applied. As part of developing our thinking in this area, Recipe for Change is exploring the pros and cons of different definitions of categories that could be used in a category levy, including:

- Casting the net widely to include all categories of pre-packaged food, with specific exemptions for healthier food categories (e.g. nuts).
- Targeting those categories as part of the High Fat, Salt and Sugar (HFSS) advertising and promotions regulations, or within voluntary salt and sugar programmes.
- Prioritising categories considered to be 'discretionary' and outside the government recommended Eatwell Guide.^x

In addition, Recipe for Change is exploring different ways in which 'healthy' and 'less healthy' products could be defined in a way that is clear and implementable for businesses.

There are specific components of such an approach that would increase both the feasibility and ease of implementation of such a levy, which have previously been described (see: "SDIL Plus": A food reformulation levy that's easier to swallow). These include focusing on:

- **The nutritional composition of the final product:** Unlike the NFS levy, a category levy would be based on the nutritional composition of the final product, rather than on the ingredients (salt and sugar) being used.
- **Pre-packaged foods:** A category approach would include pre-packaged foods only, with specific exemptions for unprocessed whole foods (e.g. nuts, fruit and vegetables). This would be the most feasible approach for

a category levy as pre-packaged foods have labels that can be used to ascertain nutritional composition for the sake of determining levy applicability.

- **'In-home foods':** In the first instance, a category levy would be focused on the retail or 'in home sector' unlike the NFS approach which also applies to the out of home sector. While any levy would ideally apply across all food, especially given the amount of food that is now consumed out of the home, focusing on the retail sector in the first instance increases the ease of implementation of such a levy. This is in part due to the limited information and labelling that is available for out of home foods compared to the retail sector, and implementation and enforcement would require that information to be easily available. Any new levy should be designed with expansion to the out of home sector in mind.

- **Nutrient profiling model (NPM):** Such an approach could focus on salt and sugar, drawing on the 'A' scores of the nutrient profiling model^{xi}, or the total NPM score to capture the overall nutrient profile of a product. Nutrient profiling is an established methodology for defining healthy and unhealthy foods used in other policies such as advertising and promotion regulations.

Regardless, what will be critical to the success of any new food levy will be creating sufficient incentive for change in product categories that contribute the most amount of sugar and/or salt to diets. That was the premise behind agreeing the HFSS categories proposed for use in the advertising regulations which are the categories that contribute the most to children's sugar and calorie intake and therefore of particular concern to childhood obesity.^{xii} Similarly, the categories included in the sugar and calorie reformulation programme categories were selected for the same reason.

Priority categories and opportunities for incentivising change

Within the parameters of the implementation and feasibility considerations outlined above, there are certain categories of food for which incentivising change will be particularly important in order to shift dietary patterns and nutrient intakes. To explore this further, Recipe for Change has examined in detail a selection of pre-packaged food categories available 'in home' which should be subject to a levy.

The categories focused on include biscuits, breakfast cereals, cakes and pastries, crisps and savoury snacks, chocolate and sweet confectionery, ice cream, pizza, puddings, ready meals and yogurt. All categories included fall within the HFSS categories used for advertising regulations, which were chosen based on their high contribution to the diet of sugar/calories.

An overview of the findings is summarised in Table 1, with particular attention for each category on:

1. **Where it falls within the Government Eatwell Guide:** Discretionary food categories (foods that do not form part of a healthy diet and often contribute high amounts of sugar and/or salt) are a particular priority for an extension of the SDIL.
2. **Whether it is in the reformulation programmes and reductions to date:** Food categories which have been subject to voluntary reformulation programmes, but with limited success provide evidence for the need for new incentives for change.
3. **Public support for a levy:** The percentage of public support for a levy on the category.

In the detailed summary per category on pages 11-22, the contribution of salt/sugar to the diet is also included.

The information included draws on a range of sources, summarised in the Annex.

Table 1

Category	Included in sugar and/or salt reformulation programmes	Included in the recommended Eatwell Guide? Yes/No/Other*	Success under current reformulation (PHE data)		Public support for inclusion (YouGov survey, 2024) ^{viii}
			Sugar	Salt	
Breakfast cereals	Yes	Yes	14.9% reduction	Average target met	44%
Cakes and pastries	Yes	No	3.2% reduction	96% met target	53% (Cakes and sweet biscuits polled together)
Chocolate confectionery	Yes	No	0.9% reduction	N/A	51% (Chocolate and sweets polled together)
Complete main meals (ready meals)	Yes	Other	N/A	Average target NOT met	56%
Crisps and savoury snacks (unsalted nuts not included)	Yes	No	N/A	Average target met (Crisps)	42% (Crisps)

*"Other" includes composite foods which do not fit clearly into a segment of the Eatwell Guide.

Table 1

Category	Included in sugar and/or salt reformulation programmes	Included in the recommended Eatwell Guide? Yes/No/Other*	Success under current reformulation (PHE data)		Public support for inclusion (YouGov survey, 2024) ^{viii}
			Sugar	Salt	
Ice cream	Yes	No	7.2% reduction	N/A	37%
Pizza	Yes	Other	N/A	Average target NOT met	38%
Puddings	Yes	No	2.3% reduction	N/A	N/A
Sweet biscuits	Yes	No	3.1% reduction	Average target NOT met	53% (Cakes and sweet biscuits polled together)
Sweet confectionery	Yes	No	2.8% reduction	N/A	51% (Chocolate and sweets polled together)
Yogurts	Yes	Yes	13.5% reduction	N/A	22%

*"Other" includes composite foods which do not fit clearly into a segment of the Eatwell Guide.

Breakfast cereals

About this category

NDNS categorises breakfast cereals within a wider 'cereals and cereal product' category. Breakfast cereals are further split into four categories: Ready to eat, with added sugar; ready to eat, with no added sugar; porridge style, with no added sugar; porridge style, with sugar.

Policies that cover this category	
HFSS	Yes
Sugar reformulation	Yes
Salt reformulation	Yes
Eatwell Guide	Carbohydrates

Nutrition profile of this category	
<ul style="list-style-type: none"> 72% of sugar is added 	
Contribution to diet of 4-10 year old children^{xiii}:	
<ul style="list-style-type: none"> 3% sodium (Source NDNS table 5.68) 9% free sugars (Source NDNS table 5.23) 6% energy (Source NDNS table 5.14) 	

Assessment:

Breakfast cereals contribute 9% of free sugars, 3% of sodium and 6% of total energy to the diet of children aged 4 - 10 years old.

The category has, on average, met its reformulation target for salt reduction and the sugar content of breakfast cereals has reduced by 15% (against 2015 baseline).

Breakfast cereals are currently included in multiple public health policies, including HFSS, salt and sugar reduction programmes.

Despite reformulation success to date, breakfast cereals are a staple product across households and contain high levels of often hidden or unexpected sugar.

44% of the public support a new levy on this category.

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Cakes and pastries

About this category

The NDNS records cakes within a large category covering buns, cakes, pastries and fruit pies. This category would also cover morning goods, one of the sugar reduction programme categories.

Policies that cover this category	
HFSS	Yes
Sugar reformulation	Yes
Salt reformulation	Yes
Eatwell Guide	Foods high in fat, salt and sugar

Nutrition profile of this category
<ul style="list-style-type: none"> 70% of sugar is added
Contribution to diet of 4-10 year old children^{xiii}:
<ul style="list-style-type: none"> 2% sodium (Source NDNS table 5.68) 8% free sugars (Source NDNS table 5.23) 4% energy (Source NDNS table 5.14)

Assessment:

Cakes and pastries contribute 8% of free sugars and 4% of total energy to the diet of children aged 4 - 10 years old.

Cakes and pastries are included in the sugar and salt reformulation programmes as well as HFSS policy. Cakes are a discretionary food item according to the Eatwell Guide.

Progress under the current reformulation programmes has been low. In the case of sugar, the reduction has been lower than average at 3.2%. However, 94% of products meet max calorie guidelines and 96% of retail and manufacturers have met the salt reformulation targets for the category.

More than half (53%) of the public support a levy on this category.

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Chocolate confectionery

About this category

NDNS includes chocolate bars, filled bars, assortments, cocoa mass, cocoa butter, and chocolate covered nuts and fruits.

Policies that cover this category

HFSS	Yes
Sugar reformulation	Yes
Salt reformulation	No
Eatwell Guide	Foods high in fat, salt and sugar

Nutrition profile of this category

- 88% of sugar is added

Contribution to diet of 4-10 year old children^{xiii}:

- 0% sodium (Source NDNS table 5.68)
- 6% free sugars (Source NDNS table 5.23)
- 2% energy (Source NDNS table 5.14)

Assessment:

Chocolate confectionery contributes 6% of free sugars and 2% of total energy to the diet of children aged 4 - 10 years old. The sugar in this category is largely added sugar, making it a good focus for a levy.

Chocolate confectionery is included in HFSS regulations and the sugar reformulation programme. This is a discretionary category of food according to the Eatwell Guide.

Success under the current reformulation programme has been limited, with only a 3.2% reduction in calories since the baseline, against a 20% target. Notably, 71% of products meet maximum calorie guidelines.

More than half (51%) of the public support a levy on this product.

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Complete main meals (ready meals)

About this category

NDNS has multiple categories related to main meals.

Policies that cover this category	
HFSS	Yes
Sugar reformulation	No
Salt reformulation	Yes
Eatwell Guide	Combinations of the food groups

Nutrition profile of this category
<ul style="list-style-type: none">25% of sugar is added
Contribution to diet of 4-10 year old children^{xiii}:
<ul style="list-style-type: none">N/A sodiumN/A free sugarsN/A energy

Assessment:

Complete main meals are included in HFSS regulations, calorie and salt reformulation programmes.

Dietary intake of main meals (ready meals) is not included within NDNS reporting, making this category potentially hard to target because we do not have reliable data on % sodium, sugars and energy from the over-arching category.

Success under the current reformulation programme has been limited with the salt reduction target not being met.

More than half (56%) of the public support a levy on this category.

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Ice cream

About this category

NDNS includes ice cream, plant-based ice cream alternatives, sorbets and ice lollies.

Policies that cover this category	
HFSS	Yes
Sugar reformulation	Yes
Salt reformulation	No
Eatwell Guide	Foods high in fat, salt and sugar

Nutrition profile of this category
<ul style="list-style-type: none">N/A of sugar is added
Contribution to diet of 4-10 year old children^{xiii}:
<ul style="list-style-type: none">0% sodium (Source NDNS table 5.68)4% free sugars (Source NDNS table 5.23)1% energy (Source: NDNS table 5.14)

Assessment:

Ice cream contributes 4% of free sugars and 1% of total energy to the diet of children aged 4 - 10 years old.

Ice cream is currently included in HFSS regulations and the sugar reformulation programme. It is a discretionary category of food.

Success under the current reformulation programme has been progressing, with a 7.2% reduction in sugar content and 99.8% of these products meeting the maximum calorie guidelines.

A third (37%) of the public support a levy on this category.

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Pizza

About this category

NDNS includes all pizza that is meat, fish or vegetable based.

Policies that cover this category

HFSS	Yes
Sugar reformulation	No
Salt reformulation	Yes
Eatwell Guide	Combinations of the food groups

Nutrition profile of this category

Contribution to diet of 4-10 year old children^{xiii}:

- 6% sodium (Source NDNS table 5.68)
- 2% free sugars (Source NDNS table 5.23)
- 4% energy (Source NDNS table 5.14)

Assessment:

Pizza falls within a wider category, including pasta, rice, pizza and other miscellaneous cereals which contributes 6% of sodium and 4% of total energy to the diet of children aged 4 - 10 years old.

Pizza is included in HFSS regulations, calorie and salt reformulation programmes.

Success under the current reformulation programme has been limited – the salt reduction target has not been met.

Over a third of the public support a levy on pizza (38%).

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Puddings

About this category

NDNS includes puddings that are milk-based, not milk-based and cereal-based, such as rice pudding.

Policies that cover this category

HFSS	Yes
Sugar reformulation	Yes
Salt reformulation	Yes
Eatwell Guide	Foods high in fat, salt and sugar

Nutrition profile of this category

- 81% of sugar is added

Contribution to diet of 4-10 year old children^{xiii}:

- 1% sodium (Source NDNS table 5.68)
- 3% free sugars (Source NDNS table 5.23)
- 2% energy (Source NDNS table 5.14)

Assessment:

Puddings contribute 3% of free sugars, 1% of sodium and 2% of total energy to the diet of children aged 4 - 10 years old.

Puddings are included in HFSS regulations, sugar and salt reformulation programmes. The sugar in this category is largely added sugar, making it a good focus for a levy.

Success under the current reformulation programme has been limited, with puddings showing a 2.3% reduction in sugar content, against a 20% target. Notably, there has been a 7.2% increase in calorie content since the baseline, and 97% of these products meet the maximum calorie guidelines.

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Savoury snacks

About this category

NDNS includes crisps, savoury snacks, both nut and not nut-based.

Policies that cover this category

HFSS	Yes
Sugar reformulation	No
Salt reformulation	Yes
Eatwell Guide	Foods high in fat, salt and sugar

Nutrition profile of this category

Contribution to diet of 4-10 year old children^{xiii}:

- 5% sodium (Source NDNS table 5.68)
- 1% free sugars (Source NDNS table 5.23)
- 4% energy (Source NDNS table 5.14)

Assessment:

Savoury snacks contribute 5% of sodium and 4% of total energy to the diet of children aged 4 - 10 years old.

Crisps and savoury snacks are included in HFSS regulations, calorie and salt reformulation programmes. These are a discretionary item according to the Eatwell Guide.

This category has met the average target for the salt reformulation programme, with a reduction of 9.4 percentage points in the proportion of products that meet the maximum calorie guidelines.

42% of the public support a levy on this category.

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Sweet biscuits

About this category

NDNS includes sweetened rice cakes, ice cream cones and wafers, gluten-free biscuits. It does not include biscuits for children or toddlers.

Policies that cover this category

HFSS	Yes
Sugar reformulation	Yes
Salt reformulation	Yes
Eatwell Guide	Foods high in fat, salt and sugar

Nutrition profile of this category

- 85% of sugar is added

Contribution to diet of 4-10 year old children^{xiii}:

- 2% sodium (Source NDNS table 5.68)
- 8% free sugars (Source NDNS table 5.23)
- 4% energy (Source NDNS table 5.14)

Assessment:

Sweet biscuits contribute 8% of free sugars, 2% sodium and 4% of total energy to the diet of children aged 4 - 10 years old. The sugar in this category is largely added sugar, making it a good focus for a levy.

Sweet biscuits are included in HFSS regulations, sugar and salt reformulation programmes.

Success under the current reformulation programme has been limited, with only a 3.1% reduction in sugar content. Notably, there has been a 1.8% reduction in calorie content since the baseline, whilst 98% of these products meet the maximum calorie guidelines.

More than half of the public support a levy on sweet biscuits (53%).

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Sweet confectionery

About this category

NDNS includes nougat, halva, fudge, chewing gum, mints, sweet popcorn and liquorice. It excludes ice lollies and sugar-free confectionery.

Policies that cover this category

HFSS	Yes
Sugar reformulation	Yes
Salt reformulation	No
Eatwell Guide	Foods high in fat, salt and sugar

Nutrition profile of this category

- 85% of sugar is added

Contribution to diet of 4-10 year old children^{xiii}:

- 0% sodium (Source NDNS table 5.68)
- 3% free sugars (Source NDNS table 5.23)
- 1% energy (Source NDNS table 5.14)

Assessment:

Sweet confectionery contributes 3% of free sugars and 1% of total energy to the diet of children aged 4 - 10 years old. The sugar in this category is largely added sugar, making it a good focus for a levy.

Sweet confectionery is included in HFSS regulations and the sugar reformulation programme. This is a discretionary category of food according to the Eatwell Guide.

Success under the current reformulation programme has been limited, with only a 3.4% reduction in sugar content against 20% target. Additionally, only 34% of these products meet the maximum calorie guidelines.

More than half of the public (51%) support a levy on this category.

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Yogurts

About this category

NDNS includes all yogurts, fromage frais and other dairy desserts in this category.

Policies that cover this category

HFSS	Yes
Sugar reformulation	Yes
Salt reformulation	No
Eatwell Guide	Dairy and alternatives

Nutrition profile of this category

- 52% of sugar is added

Contribution to diet of 4-10 year old children^{xiii}:

- 1% sodium (Source NDNS table 5.68)
- 5% free sugars (Source NDNS table 5.23)
- 2% energy (Source NDNS table 5.14)

Assessment:

The category of yogurt, fromage frais and other dairy desserts, contributes 5% of free sugars and 2% of total energy to the diet of children aged 4 - 10 years old. Approximately half of sugar in this category is added sugar.

Yogurts are included in HFSS regulations and the sugar reformulation programme.

Success under the current reformulation programme has been progressing, with a 13.5% reduction in sugar content, against a 20% target. Notably, there has been a 7.3% reduction in calorie content since the baseline, and 72% of these products meet the maximum calorie guidelines.

This category has limited support for a levy in isolation, with 1 in 5 people supporting one (22%).

Sources: National Diet and Nutrition Survey, salt progress report, sugar progress report, Institute of Fiscal Studies, Eatwell Guide, YouGov. See the Annex for full details.

Discussion

All of the categories considered have been part of the voluntary reformulation programmes for salt and/or sugar and are included in the HFSS regulations. Most fall outside the Eatwell Guide, meaning they're not essential for a healthy diet. However, some - like breakfast cereals (a source of fibre) and yogurt (a source of protein and calcium) - do fall within it. Pizza and ready meals, as 'composite dishes', also fall within the Eatwell Guide as they include multiple food groups.

Many categories contribute significantly to children's sugar intake. High levels of added sugar suggest strong reformulation potential: chocolate confectionery (88%), sweet biscuits (85%), sweet confectionery (85%), puddings (81%), breakfast cereals (72%) and cakes and pastries (70%) all exceed two-thirds added sugar.^{xiv} Over half (52%) of the sugar in yogurts is added, which is concerning given their perception as a healthy food item for children.

Among available data, cakes and pastries (8%) and biscuits (8%) are the largest sources of free sugars in children's diets.^{xv} Together, the categories contribute 30% of children's dietary energy, with key individual contributors from those looked at being pizza (4%), cakes and pastries (4%), sweet biscuits (4%) and breakfast cereals (6%).

Progress on sugar reformulation is low overall. Breakfast cereals (15%) and yogurts (13.5%) have seen the most reduction, but still fall short of the 20% target. Chocolate confectionery (0.9%) and puddings (2.3%) show the least progress, with many others - like sweet confectionery, cakes and pastries, and biscuits - achieving only about 3%.ⁱⁱ

Dietary salt comes from a broader range of categories, including some unexpected ones: breakfast cereals (5%), sweet biscuits (2%) and cakes and pastries (2%). Pizza (6%) and savoury

snacks (5%) are the biggest contributors of the categories looked at.^{xiv} While some categories have met or nearly met average salt targets, these are widely seen as weak, with wide variation in salt levels showing further reformulation is possible. Average targets for ready meals and pizza have not been met.

Two-thirds of the public (68%) support a levy if revenue is reinvested in children's health - support that has remained steady across multiple surveys in different years.^{viii} Support is strongest for sweet categories like biscuits and cakes, as well as ready meals. As with the SDIL, public backing will likely depend on clear commitments to invest in health.

Next steps

This briefing sits alongside the Recipe for Change report 'Incentivising Reformulation: The case for fiscal levers to strengthen the UK's reformulation programmes', which examined the variation of salt and sugar in key snack categories. Both briefings explore the design of a category-focused levy, with this briefing emphasising which categories to target and how a levy could incentivise further business action.

This research provides insights into key considerations for a category-focused levy and provides the basis for further research and policy design. This analysis of food categories shows the need for stronger incentives to drive dietary shifts. Public polling consistently supports a manufacturer levy, especially when revenue is invested in children's health. There is also strong backing for targeting specific high-sugar categories like cakes, biscuits, and confectionery.

Any levy must consider the wide range of categories contributing to poor diets and as a minimum focus on those with the highest potential for reformulation.

Specifically, the following findings from the research should be considered in future policy design:

- **Progress under voluntary reformulation programmes has been limited**, indicating a need for stronger levers to achieve the reformulation guidelines or targets.
- **Some categories like cereals and yogurts may be perceived as healthy, while still contributing added sugar.**
- **High levels of added sugar in some categories make them strong candidates for a levy** that both encourages reformulation and raises revenue.
- **Public support is strongest for levies on high-sugar items** such as confectionery, cakes and biscuits. Ready meals also receive support, but most staples receive less; something to be considered in policy design and public communication.

- **A category-based levy is feasible and could be optimised by drawing on existing policy design frameworks** for promotions and advertising, as well as reformulation.

These findings offer a foundation for policy discussions on levy design and priorities for future reformulation efforts.



Annex

Selection criteria

A selection of categories, drawing on reformulation programmes and the HFSS advertising regulation categories were looked at. We focused on those most easily defined by the sources used, and which we felt would have the most public appetite for inclusion in a levy. The selected list was not designed to be comprehensive, rather to lay out the rationale for introducing new fiscal incentives, building on the voluntary programmes to date.

Sources of evidence

UK dietary assessment

National Diet and Nutrition Survey (2019–2023). Available at: <https://www.gov.uk/government/collections/national-diet-and-nutrition-survey>

Reformulation programme reports

- Salt progress report: PHE (2020) Salt targets 2017: second progress report. Available from: <https://www.gov.uk/government/publications/salt-targets-2017-second-progress-report>
- Sugar progress report: OHID (2022) Sugar reduction programme: industry progress 2015 to 2020. Available at: <https://www.gov.uk/government/publications/sugar-reduction-programme-industry-progress-2015-to-2020>

Proportion of added sugar

Institute of Fiscal Studies (2021) The impact of a tax on added sugar and salt. Available at: <https://www.nationalfoodstrategy.org/wp-content/uploads/2021/07/WP202121-The-impact-of-a-tax-on-added-sugar-and-salt.pdf>

Dietary recommendations

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Consumer Polling

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A category-based approach to a manufacturer levy on unhealthy food

Considerations and
opportunities

June 2025

