

Briefing for Westminster Hall debate on sugary drinks tax

Monday 30 November, 4.30pm

Motion: “*That this House has considered e-petition 106651 relating to a tax on sugary drinks*”

The petition, created by Jamie Oliver and Sustain, calls on the Government to introduce a tax on sugary drinks to improve our children’s health, with the revenue generated paying for programmes to improve children’s health and protect the environment they grow up in. The petition has over 150,000 signatures. The Petitions Committee has granted a debate on it, led by Helen Jones MP.

The debate takes place immediately after the launch of the **Health Select Committee**’s report of its inquiry into what the Government’s policy priorities should be for addressing childhood obesity.

The case for a sugary drinks duty in the UK

Public Health England recently published their review, ‘Sugar Reduction: the evidence for action’. They concluded one of the eight areas for action should be the “*introduction of a price increase of a minimum of 10%-20% on high-sugar products through the use of a tax or levy, such as on full-sugar soft drinks*”.

We are calling on the Government to introduce a **20p per litre (7p per can) duty on sugary drinks** in their forthcoming Childhood Obesity Strategy. The duty should sit alongside a series of other measures – including protecting children from all forms of junk food marketing, rebalancing price promotions, a robust reformulation and portion size reduction programme with quantifiable targets, improved labelling, greater support for food education in schools, and the public sector leading by example – to make healthier, more sustainable choices as available, affordable, advertised & acceptable as less healthy options currently are.

Why a sugary drinks duty?

In order to be successful, a food duty has to be consistent, and appeal to people’s common sense.

A duty on sugary drinks would seem to be both logical and proportionate. It would be:

- targeting a product that is the top contributor of free sugars to the diets of children and young adults, accounting for almost one-third of their total intake.
- targeting a product considered non-essential, with few or no nutritional benefits apart from the calories.
- levied only on soft drinks with added sugar – so not pure fruit juices or drinks made with sweeteners.
- an excise duty rather than a sales tax – so increasing proportionately to the volume of drink purchased and thus discouraging consumers from purchasing larger volumes or switching to cheaper brands.
- straight-forward and quick to implement in stores and outlets; easy for consumers to understand.
- act as a positive nudge on purchasing behaviour, whilst not restricting consumer choice.

Supporters

- British Medical Association, British Heart Foundation, British Dental Association, British Dietetic Association, Academy of Medical Royal Colleges, Faculty of Public Health.
- 4 former health ministers: Dan Poulter, Stephen Dorrell, Alan Johnson and Ben Bradshaw.
- more than two-thirds of GPs, and a similar proportion of Royal Society for Public Health members.
- support from all 4 nations of the UK, including The Royal College of Physicians of Edinburgh, Cardiff and the Vale University Health Board, and Northern Ireland Chest Heart & Stroke.

A sugary drinks tax also has the support of Unite and Unison trade unions, and a broad coalition of civil society, including CitizensUK, National Federation of Women’s Institutes, Netmums, Friends of the Earth and Soil Association. It has backing from the fields of sport and business, including Richard Branson and footballer Gareth Bale; and supportive editorials in The Times, The Independent and The Guardian.

Opinion polls show an upward trend in public support, with a majority (53%) now saying they are in favour.

The health cost of not acting

- Children are getting too many of their calories from sugars – on average three times the government's recommended amount – and this also contributes to an overall overconsumption of calories.
- One in three children are overweight or obese by the time they start secondary school. Obesity rates are continuing to rise for 11-15 year olds, and for children living in more deprived areas.
- Childhood obesity is associated with conditions such as insulin resistance, hypertension, asthma, sleep problems, poor mental health and the early signs of heart disease.
- There are 10 cancers that can be related to diet or have an increased risk, and if you never become overweight or obese your chances of getting those cancers are also significantly reduced.
- 28% of 5-year olds have tooth decay and the number one cause of hospital admissions for five year olds is dental health problems.

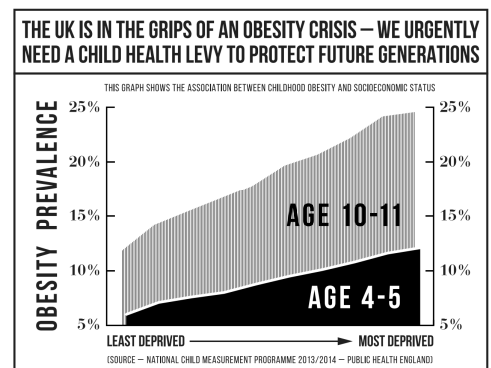
The economic cost of not acting

- Health problems associated with being overweight or obese cost the NHS more than £5 billion annually.
- Poor dental hygiene costs the NHS a further £3.4 billion a year, of which £30 million alone is spent on hospital-based extractions of children's teeth.
- The total societal cost of obesity in the UK in 2012, including lost productivity, was £47 billion - a figure second only to smoking.
- A sugary drinks duty would lead to 49,000 fewer cases of diabetes, 33,000 cases of cardiovascular disease and stroke, 8,700 fewer cases of bowel cancer, and direct savings to the NHS of £300million.

Tackling health inequalities

Diet-related ill health disproportionately affects lower income groups, so any moves to tackle health inequalities should be welcomed.

Some of the highest consumers of sugary drinks are also the most price conscious, and thus most likely to switch to cheaper (and healthier) alternatives. The studies suggest that people who swap to lower or no sugar alternatives, don't tend to add on the extra sugar and calories elsewhere in their diets. In addition, the expenditure of the Children's Health Fund could be aimed more at particular demographics and areas to also ensure that this was a progressive measure, benefiting families in poverty and on low incomes.



International examples of a sugary drinks tax

Mexico's tax on sugary drinks has resulted in a 6% reduction in soda purchases in the country during 2014, with the year-on-year reduction reaching 17% by the year-end. Importantly, evaluation of the first year of the tax has revealed that the reduction was greatest amongst lower-income groups. Demand has also fallen in France (by 3.3% in 2012 and 3.4% in 2013), in Hungary (by 7.5% in 2012 and 6% in 2013) and also in Finland, since those countries introduced their versions of the duty. In France, Finland and Hungary the full cost of the duty has been passed on by manufacturers to consumers. We would expect this to happen in the UK too, so maximising the impact on consumer behaviour.

Revenue – a Children's Health Fund

A twenty pence per litre duty on sugary drinks would **expect to raise between £300m to £1 billion** in its first year. There is a strong case for hypothecating this revenue. The money could be used by the Treasury for population-wide evidence-based interventions, such as extending free school meal eligibility or boosting Healthy Start programmes; or be hived off into a pot – a Children's Health Fund – to support innovative local and regional public health projects and easy access to drinking water in public institutions and spaces.

The 'ear-marking' of taxes is becoming more widespread, with the re-calibrated Vehicle Excise Duty (or road tax) to be put exclusively into a new Roads Fund from 2020, and the proposal for Councils to raise an additional 2% in Council Tax for social care funding. The public has readily accepted the plastic bag levy, with retailers quick to promote the environmental or other good causes that the money is going towards.



Sustain are piloting a smaller scale Children's Health Fund, partnering with Jamie Oliver's restaurant group, Leon, Abokado, Tortilla and others. These restaurants are voluntarily putting a 10p levy on soft drinks with added sugar on their menus, allowing this concept to be tested to see how it affects customer purchasing habits.

Smart sugar swaps

Whilst there could in the future arise a strong case for extending the duty to other sugary products or to sweeteners, the evidence and policy base is there now specifically for a duty on drinks with added sugar.

However, other measures should concurrently be taken to reduce the sweetness of our food and drink, in the same way that salt has been gradually reduced in many products over the past decade. Children should be encouraged to drink water and milk, and fruit juice be limited to a 150ml portion per day, as outlined in the revised School Food Standards. Public procurement should remove the most sugary products from their stock and promote the healthier alternatives; something which manufacturers themselves should do with their ranges aimed at children's consumption.

Decreasing the cost of certain healthier options, whether via reducing the duty or subsidising the price, could be done at the same time as the introduction of a 20p per litre duty on sugary drinks - so maintaining no net tax increase. A sugary drinks duty would likely incentivise companies to shift R&D, production and promotion to no-sugar alternatives, and thus would have a neutral net impact on jobs or investment within the industry.

Other measures for inclusion in a childhood obesity strategy

Together with the British Heart Foundation, we call on the UK Government to give parents a helping hand in enabling their families to eat healthily, by implementing the following measures:

- 1) **All advertisements for products high in fat, saturated fat, sugar, or salt (HFSS) should be screened after the 9pm watershed.** Currently, marketers can still advertise HFSS products during some of the television programmes popular with children, especially those shown between 6pm-9pm, because they are not classed as children's programming.
- 2) **Stringent regulations brought in to protect under 16s online.** The current self-regulatory system for non-broadcast advertising is weak. The Committee of Advertising Practice Code is vague and does not cover a number of significant marketing techniques. We also want to see the **advertising rules extended to cover in-store placement and promotion of products.**
- 3) Establishing **a new watchdog, independent of the advertising industry, to develop and enforce marketing regulations.** These regulations must provide a clear and transparent means of determining whether a product or promotion influences children, and distinguish between healthy and unhealthy foods. The Ofcom/FSA Nutrient Profiling Model should be revised to reflect the latest nutritional guidance and the ways companies have tried to game the system.
- 4) Creating a level playing field for industry to embark on an ambitious **reformulation and portion size** reduction programme, with annual targets and penalties for companies which do not meet theirs, and a permanent shift away from **price promotions** on less healthy food and drink.
- 5) Improved **food labelling**, through the wholesale adoption of the front-of-pack colour-coded nutrition labelling, complete with public education campaigns, and a push at European level for further innovations the ability to allow countries to adopt additional measures and make them mandatory.

We also wish to see:

- 6) Continued funding for **universal infant free school meals.** Providing a free healthy school lunch is a simple and effective way to improve children's diets.
- 7) Further support for implementing the recommendations of the **School Food Plan** – including school food standards becoming mandatory for all academies and free schools, increased training for food teaching in schools, and new guidance on sponsorship and curriculum resources provided by the food industry.
- 8) Revised **national planning and licensing rules** which allow local authorities to prioritise public health, especially on school walking routes and in areas where children play and spend time.
- 9) Local, regional and national government, and hospital trusts, leading the way with '**SugarSmart**' policies and procurement practices.