

October 2016

## **Submission to the HM Revenue & Customs and HM Treasury's Soft Drinks Industry Levy consultation by World Cancer Research Fund International and World Cancer Research Fund UK**

### About World Cancer Research Fund International and World Cancer Research Fund UK (Q1 B)

World Cancer Research Fund International (WCRF International) leads and unifies a network of cancer prevention charities with a global reach. We are the world's leading authority on cancer prevention research related to diet, weight and physical activity.

As a network we influence policy at the highest level and are trusted advisors to governments and other official bodies from around the world. We advocate for the wider implementation of more effective policies that enable people to follow our Cancer Prevention Recommendations<sup>1</sup>. The evidence shows that effective policies will reduce the chances of people developing cancer and other NCDs.

### Key points:

- WCRF International and WCRF UK welcomes the UK Government's proposal to implement a soft drinks industry levy to help tackle overweight and obesity, and support the consultation response submitted by the Obesity Health Alliance, of which WCRF UK is a member.
- Our analysis of worldwide research shows that being overweight or obese is linked to an increased risk of developing 11 cancers<sup>2</sup>.
- With rates of overweight & obesity and nutrition-related NCDs rising at an alarming rate throughout the world and in the UK we believe that governments have a fundamental role to play in developing and implementing policy interventions at a population and individual level to promote healthy diets.
- The introduction of a soft drinks industry levy is an important part of what must be a comprehensive approach to promoting healthy diets and tackling overweight and obesity, as set out in our NOURISHING policy framework<sup>3</sup>. The framework formalises a comprehensive package of policies governments must implement across three key domains: food environment, food system and individual behavior change communication.

---

<sup>1</sup> <http://www.wcrf.org/int/research-we-fund/our-cancer-prevention-recommendations> (accessed 11/10/2016)

<sup>2</sup> Stomach cardia, Kidney, Gallbladder, Liver, Advanced prostate cancer, Ovarian, Endometrial, Pancreatic, Colorectal, Postmenopausal breast cancer, Oesophageal (adenocarcinoma).

<sup>3</sup> [www.wcrf.org/NOURISHING](http://www.wcrf.org/NOURISHING)

- The accompanying database of food policies from around the world contains implemented policies which aim to promote healthy diets to reduce overweight & obesity and nutrition-related NCDs. The database currently includes almost 300 implemented government policy actions across over 100 countries.
- We agree with the definition of ‘added sugar’. (Q5 A)
- We are generally supportive of the exclusion of unsweetened (i.e. ‘pure’) fruit juices from the levy as we recognise the contribution they can make to fruit and vegetable consumption. However, it must be noted that Public Health England recommends limiting pure fruit juice consumption to 150mls per day<sup>4</sup>. As such, it is vital that excessive intake of sugar from fruit juice is prevented, and that a robust monitoring system is set up to identify any potential unintended consequences of the exclusion of fruit juice from the levy. This reporting should be made publically available. Additionally, the public must be actively informed of this maximum recommended intake. Furthermore, we suggest the inclusion of ‘fruit nectars’ as subject to the levy given their high added sugar content. (Q5 C)
- We strongly support the proposal to tax dilutable cordials, squash and syrups according to diluted volumes. Ongoing monitoring (made publically available) of consumption of dilutables is crucial to ensure that consumers do not compensate for the reduction in sugar by increasing the volume of the concentrate. (Q6)
- We strongly support the inclusion of liquid drinks flavouring in the levy with separate thresholds and rates. (Q7)
- Whilst recognising the health benefits of milk in providing nutrients to the diet, we do not support the proposal of exempting drinks with a minimum proportion of 75% milk. We believe this threshold to be too low and not based on any nutritional guidance, as milk-based drinks contain large amounts of added sugar. Rather, we suggest that only milk drinks with under 5% added sugar be exempted from the levy, based on existing School Food Standards. (Q8)
- As candy sprays are composed of sugar sweetened soft drinks (often with significant added sugar) these must be included within the scope of the levy, as should dissolvable powders as these should be considered similar to liquid drinks flavourings. However, we do agree that ice lollies should be exempt from the levy, but recognise that marketing to children of such items must be restricted. (Q10)
- Overweight and obesity and nutrition-related NCDs disproportionately affect lower socio-economic groups and children. We agree that the levy is unlikely to have adverse impacts on groups with protected characteristics. Rather, the levy will help increase health at a broad population level and address these health inequalities. (Q13)
- We agree that products free of charge should still be subject to the levy, to ensure that no loophole is created where sugary drinks could be marketed. (Q20)

---

<sup>4</sup> PHE (2016) Eatwell Guide

- We understand the rationale behind exempting small business and support this proposal. However, we do not support a universal threshold as it is important to ensure that large corporations cannot benefit under any circumstances. (Q22)
- Penalties are crucial if the levy is to be successful in encouraging manufacturers and importers to comply and create a level playing field, and we therefore welcome HMRC's commitment to ensuring that the levy is enforced. (Q40)
- Rigorous, regular and independent evaluation of the levy must be prioritised so that it can be refined and adjusted to continually deliver public health gains. Such an evaluation should cover both products included in the levy and products that will likely substitute or complement SSB consumption, and include: (Q43)
  - An examination of consumer retail data to understand changes in trends, sales and retail prices of SSBs.
  - An examination of the dietary consequences of the levy, including changes in consumption of these products and consumption data trends, which provide insight into demographic variables including age, gender and socio-economic status.
  - A review of the soft drinks industry practices as a result of the levy, including pricing strategies, product size changes, reformulation, marketing and promotional activities.
  - A review into consumer attitudes towards the levy and sugar consumption to understand the impact of a levy on individual behaviour change.
- Evidence suggest that these types of taxes are most effective when there is a price differential between products subject to the tax, and those that are not, at the point of sale. In order for the levy to be most impactful, we therefore suggest to consider adjusting the higher rate of the levy so it increases incrementally in line with sugar content, as well as committing to adjusting the rates of the levy in line with consumption and inflation. (Q43)
- We remain concerned regarding the interference of industry in the development and implementation of the levy and urge the Government to ensure that a robust Conflict of Interest framework is maintained.
- We would also like to draw attention to the World Health Organization's recent report *Fiscal policies for diet and the prevention of noncommunicable diseases*, which reviewed the evidence and existing guidance on the scope, design and implementation of effective fiscal policies on diet<sup>5</sup>.

For further information contact Louise Codling, Head of Policy and Public Affairs, World Cancer Research Fund International, [l.codling@wcrf.org](mailto:l.codling@wcrf.org), 020 7343 4200.

---

<sup>5</sup> <http://www.who.int/dietphysicalactivity/publications/fiscal-policies-diet-prevention/en/> (2016)