

Institute of Public Health in Ireland (IPH) response to HM Treasury
and HM Revenue and Customs Soft Drinks Industry Levy
Consultation

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The Institute of Public Health in Ireland

The remit of the Institute of Public Health in Ireland (IPH) is to promote cooperation for public health between Northern Ireland and the Republic of Ireland in the areas of research and information, capacity building and policy advice. Our approach is to support Departments of Health and their agencies in both jurisdictions, and maximise the benefits of all-island cooperation to achieve practical benefits for people in Northern Ireland and the Republic of Ireland.

IPH welcomes the opportunity to submit to the soft drinks industry levy consultation. The World Health Organization (WHO and the Government of South Australia, 2010) ethos is for a 'health in all policies' approach to decision-making; this recognises the role that all sectors have to play in creating conditions conducive to healthy living and choices.

Poor quality diet and overweight/obesity are significant threats to public health across Ireland and the United Kingdom. One in four children in the Republic of Ireland is either overweight or obese (Heinen et al, 2014). In Northern Ireland, 21.2 per cent of Primary 1 children and 27.8 per cent of Year 8 children measured in 2014/2015 were considered overweight or obese (Public Health Intelligence Unit, 2016). IPH is particularly concerned by the health inequities dimension to overweight/obesity and its associated burden of disease. It is adults and children in the lowest socio-economic groups who are impacted most by this disease burden (WHO, 2013).

Since 2011, IPH has been undertaking research to inform policy on the potentiality of sugar sweetened drinks (SSDs) levies to contribute towards addressing overweight and obesity across the island of Ireland (IPH, 2013). IPH endorses the UK's soft drinks levy as part of a suite of measures necessary to curb excess sugar consumption. The Republic of Ireland's Programme for Government stated that a SSDs tax would be introduced and a consultation on a 2018 5g/100ml tax on manufacturers and importers of sugar sweetened drinks was launched following the budget announcement on 11 October 2016 (Department of Finance, 2016). The taxes across the two jurisdictions will align which is a sensible approach given our shared border. Therefore there are wider considerations to take into account if the date of introduction (2018) is altered. Treasury estimates of initial revenue generation in year one of

£520 million is encouraging, and IPH would support hypothecation of this revenue for obesity prevention and/or treatment measures.

IPH strongly endorses an evidence-based approach to SSDs taxation. The evidence base is strongly supportive of such measures, as part of a broader suite, to address overweight and obesity. However, much of the evidence to date has relied on predictive models. IPH would welcome a monitoring and evaluation process to begin in advance of the 2018 date so that longitudinal changes can be observed.

Q5(a-c)

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?

Q5.b – If the above definition would be insufficient or could be improved, can respondents propose a suitable definition of sugar contained in UK regulations or guidance, or regulations/guidance from other jurisdictions, which would be suitable for the intentions of the soft drinks levy?

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?

The World Health Organization has cited the necessity to alter Hungarian legislation five times in order to close loopholes created by industry responses to circumvent Hungarian taxation of unhealthy foods.¹ The UK legislation should be mindful of this, in particular with regard to making substitutions that may fall outside of the legal definitions but have the same or worse health implications. Overall there is a need to begin *unsweetening the world’s diet* (Yang, 2010:106) and permitting substitutions, even those such as fruit based sweeteners does not assist in this process. In a similar vein, the exclusion of smaller companies from the levy could lead to a proliferation of subsidiary companies from the large-scale manufacturers. It is unlikely, but worthwhile considering at this point in legislation drafting.

¹ Available at: http://www.euro.who.int/_data/assets/pdf_file/0004/287095/Good-practice-brief-public-health-product-tax-in-hungary.pdf?ua=1 Accessed 10 October 2016.

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.

IPH welcomes the inclusion of dilutables and cordials in the levy, however the recommended dilution levels as indicated on the product labels should be independently verified.

(Q8-10)

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?

Q9 – Respondents are invited to submit evidence on the composition of lactosefree and dairy-free milk substitutes, and the practical effects of including waterbased drinks of this kind within the levy.

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

Exempting drinks with a minimum proportion of 75 per cent milk is not in line with the School Food Standards which state that reduced fat milk, and other drinks available in the school environment *should not exceed five per cent added sugars/honey and should be available as individual portions not exceeding 300mls²* (2013:145). For consistency, IPH would recommend aligning with these standards.

It may be prudent to consider the implications for toddler ‘follow-on’ milks of a minimum proportion exclusion. IPH does not endorse the use of these milks as they are unnecessary for children’s health; however the wider implications of exclusions should be explored. The WHO states that *current formulations lead to higher protein intake and lower intake of*

² Available at: http://www.schoolfoodplan.com/wp-content/uploads/2013/07/School_Food_Plan_2013.pdf Accessed 10 October 2016

*essential fatty acids, iron, zinc and B vitamins than those recommended by WHO for adequate growth and development of infants and young children.*³

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

IPH welcomes this levy and its intent to address overweight, obesity and associated illnesses across the UK. As mentioned, IPH is particularly concerned by the health inequities dimension to overweight/obesity and its associated burden of disease. It is adults and children in the lowest socio-economic groups who are impacted most by this disease burden (WHO, 2013). Reducing SSDs intake will make a significant contribution to lowering sugar consumption at population level from the current excessive level. As these drinks can be avoided, the levy (if passed to consumers) will not be economically regressive and instead can be considered progressive in health terms as it is people from the lowest socio-economic groups who will be deterred to the greatest extent by these levies, and as these are also the groups at greatest risk of overweight and obesity, they will benefit most from such taxation.

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.

IPH supports inclusion of products provided free of charge in the levy's remit. Promotional activity of this nature is at odds with a sugar levy ethos; advertising and marketing in this format should be discouraged.

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?

IPH encourages Revenue and Customs to ensure these products are included in the levy. A consistency of approach that does not facilitate loopholes is important for this levy to be

³ http://www.who.int/nutrition/topics/WHO_brief_fufandcode_post_17July.pdf Accessed 7 October 2016.

effective. In addition, this levy is a public health measure and therefore all consumers should be able to benefit from the anticipated positive health outcomes expected from this policy.

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