

# HMRC consultation: Soft Drinks Industry Levy

Response from the Royal Society for Public Health

13/10/2016

**Q1 - Are you:**

~~a) a business?\*~~

**b) an organisation? If so, please provide details (e.g. trade / health body)**

~~c) an individual~~

The Royal Society for Public Health (RSPH) is an independent health education charity, dedicated to protecting and promoting the public's health and wellbeing;

We are the world's longest-established public health body with over 6000 members drawn from the public health community both in the UK and internationally;

Our operations include an Ofqual recognised awarding organisation, a training and development arm, and health and wellbeing accreditation.

We also produce a wide-variety of public health conferences; our publishing division includes the internationally renowned journal Public Health; and we are developing policy and campaigns to promote better health and wellbeing.

For more information visit the [RSPH website](#).

## **General comments**

RSPH strongly welcomes and supports the introduction of the soft drinks industry levy, which we regard as a key plank of the government's childhood obesity strategy. We are optimistic that the levy will act as a strong motivator for industry product reformulation, and encourage the government to engage with industry to this end. However, we also believe that strong penalties for non-compliance will be vital to the success of the levy going forward. It is also vital that data collection and reporting systems allow for analysis of the effect of the levy in both the long and short term.

**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 the definition of added sugars as set out in the consultation. However, we have some concerns regarding the exemption of fruit juices – see section 5c.

**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?**

N/A.

**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 majority of fruit juices contain added sugar, and the juicing process leads to a release of fructose which is a strong contributor to fatty liver disease. We therefore support the latest guidance from PHE and School Food Standards that consumption of these products should be limited to a maximum of 150ml per day, and believe manufacturers should be pressured to reduce single-serve products to 150ml pure fruit juice in line with these recommendations.

If pure fruit juices are to be kept outside of the levy, then consumption of these products must be monitored to determine whether there is an increase as an unintended consequence of their exclusion.

We fully support the inclusion of fruit nectars in the levy as these are products to which sugar or sweeteners may be added.

**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.**

In reality, the proportion of dilutables typically used by consumers may exceed the recommended ratio provided by manufacturers. It is therefore possible that levying on the basis of these recommended ratios underestimates the actual sugar content of these products 'as drunk'. On this basis, we suggest it may be worth carrying out research as regards real life consumer behaviour around dilutables, and, depending on the results, charging the levy at a set proportion (e.g. 25%) above the recommended dilution levy.

There is also a risk that manufacturers may reduce recommended dilution ratios in order to reduce their liability, in the knowledge that consumers may continue to use the same ratios as before. The recommended dilution ratio should therefore be independently verified to prevent abuse, and consumption data monitored on an ongoing basis.

**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 be a significant source of added sugars in soft drinks – we therefore believe it is worth including these products within the levy.

**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 believe the proposed 75% proportion is too low. The levy should adopt the treatment within the School Food Standards and stipulate that only milk drinks with under 5% added sugar are exempt. If drinks with more than 5% sugar are not included in the levy, there is the risk that consumption will switch to these drinks, resulting in no net reduction (or the risk of a possible rise) in consumption of sugars among children.

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

We support the included and treatment of candy sprays within the levy. However, we believe dissolvable powders should also be included – they should be treated the same as liquid drink flavourings as their purpose and use is similar.

**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 conclusions of the impact assessment that adverse impacts on groups with protected characteristics will be negligible. The benefits of the soft drinks industry levy will accrue across all demographic groups, but particularly those from the most deprived socio-economic groups who are significantly more likely to be obese or overweight at present than their more affluent peers.