

Health Committee

Oral evidence: [Childhood obesity: follow up](#), HC 928

Tuesday 7 February 2017

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Members present: Dr Sarah Wollaston (Chair); Heidi Alexander; Luciana Berger; Rosie Cooper; Dr James Davies; Andrea Jenkyns; Andrew Selous; Maggie Throup; Dr Philippa Whitford.

Questions 1 – 161

Witnesses

I: Professor Paul Dobson, Professor of Business Strategy and Public Policy, and Head of Norwich Business School, University of East Anglia, Jon Woods, General Manager, Coca-Cola, Shahriar Coupal, Director of the Committees of Advertising Practice, Advertising Standards Authority, and Andrea Martinez-Inchausti, Deputy Director of Food Policy, British Retail Consortium.

II: Nicola Blackwood MP, Parliamentary Under Secretary of State for Public Health and Innovation, Duncan Selbie, Chief Executive, Public Health England, Dr Alison Tedstone, Chief Nutritionist, Public Health England, Emma Reed, Deputy Director responsible for delivering the Childhood Obesity Plan, Department of Health, and Mike Cunningham, Deputy Director, VAT & Excise, Business & International Tax Group, HM Treasury.

Examination of witnesses

Witnesses: Professor Dobson, Jon Woods, Shahriar Coupal and Andrea Martinez-Inchausti.

Q1 Chair: Thank you very much for coming to this afternoon's follow-up session on the Government's childhood obesity plan. We thank all of you for agreeing to reschedule this afternoon's session. Before we get started, could I ask the panel to introduce themselves for those following from outside the room, starting with Professor Dobson?

Professor Dobson: My name is Paul Dobson, professor of business strategy and public policy and head of Norwich Business School at the University of East Anglia.

Shahriar Coupal: I am Shahriar Coupal, director of the Committees of Advertising Practice. Those are the committees that write the UK advertising codes.

Jon Woods: I am Jon Woods, general manager of Coca-Cola Great Britain and Ireland.

Andrea Martinez-Inchausti: My name is Andrea Martinez-Inchausti, deputy director for food and sustainability at the British Retail Consortium, the trade organisation representing the retail industry.

Chair: Thank you all for coming. Maggie Throup will open the questioning.

Q2 Maggie Throup: Today I am wearing two hats. I am obviously a member of this Committee but I am also chair of the All Party Parliamentary Group on Adult and Childhood Obesity. I want to kick off with an open question. In November 2015, this Committee published its report calling for bold and brave action. Do you think the Government's childhood obesity plan fulfils that call, starting with Professor Dobson?

Professor Dobson: Thank you very much for the question. No, I do not think it does; it does not go far enough. There is one decisive measure that was very clear through the soft drinks industry levy. There are other measures that will need to provide incentives that, hopefully, will reduce the consumption of food and encourage children to undertake more physical activity, but I would myself have wanted firmer objectives with clearly defined milestones and benchmarks. I would have wanted to see some positive actions particularly around the retail environment to help consumers adjust their consumption and purchasing patterns. I am sure there are other activities as well, but my main interest is around the retail environment, and I would have liked to see some firmer policy measures in that context.

Shahriar Coupal: From my perspective, clearly the plan contains a range of measures intended to tackle obesity, and we are supportive of that. As to my professional expertise, the plan looks forward to the work



HOUSE OF COMMONS

that CAP would undertake in relation to the non-broadcast advertising of food and soft drinks high in fat, salt and sugar to children, and since the plan was published we have introduced a ban on such products in non-broadcast advertising.

Jon Woods: Thank you for the opportunity to be here. I thought the Committee's work was well thought through, considered and measured on a very complicated and complex issue. There were a lot of things in the bold and brave report, some of which I agreed with and some of which I did not agree with, but when the obesity strategy came out I was surprised to discover that the only concrete measure was the soft drinks industry levy, which I do not think in itself is going to have any meaningful impact on obesity rates for either children or adults.

Andrea Martinez-Inchausti: From our side, we were interested to see that for the first time the strategy uses a balance of regulatory levy versus voluntary measures. However, we were a little disappointed that that level of regulation was not expanded to areas of product improvement as we had been calling for. We are a little concerned that the plan does not specify how we are to achieve the level playing field that we believe is so important.

Q3 **Andrea Jenkyns:** I am an ex-retailer. I spent about 18 years in retail, so this section is very important to me. I know all the secret ways to get people to spend more in the retail world. My first question is to Professor Dobson. Does your work on the impact of retail pricing on overeating support our recommendations for action on price promotion and the promotion of food within a retail environment?

Professor Dobson: Yes, it does. Let me explain what I think is the crucial issue. We have to think of the general public as both shoppers and consumers, and the two things are not exactly identical, because what people buy is not necessarily what they eat. They could be buying products for other people in the household to eat but also storing products that they may consume or share at a later point. The key point about overeating starts with over-purchasing, because, once you have bought a product, the greater likelihood is that you will consume it. This is where pricing is quite vital. Of all the instruments of marketing, it is mostly pricing that drives what we end up purchasing. Therefore, the pricing incentives you put into the market and the way you steer consumers to purchasing goods really matter.

My work focuses quite a lot on quantity discounts. They could take various forms. They could be in the form of multi-buys, for example where you buy three for the price of two, but they could be quantity discounts based on a very large container. You get a cheaper unit price than on a smaller one. That clearly steers consumers towards buying large amounts. Once they purchase those large amounts, there is a likelihood they will consume them. There is plenty of evidence to suggest that portion sizes and the way consumers view them as the norm dictate how much they eat. We know that over time what is perceived as the



norm has increased. Therefore, portion sizes in particular, along with snacking, seem to be a major driver in encouraging overeating.

- Q4 **Andrea Jenkyns:** On the point about portion sizes, we heard in the news recently about a certain chocolate brand making its bars smaller. Do you think this is a good move forward?

Professor Dobson: Yes. There are two aspects to this. One is whether firms do it in a sneaky fashion and do not actually tell you what goes on in a form of shrinkflation. They reduce the quantity but do not inform the public widely so they do not know about it until after they have purchased it. But there is also an alternative; you could signal a size reduction and use that as a form of marketing, saying, "We are doing this deliberately because we want to reduce the number of calories that are perceived in a portion." There are, therefore, two potential benefits that could arise.

- Q5 **Andrea Jenkyns:** Are there any regulatory actions that could be taken, or do you think it is too difficult to find ways to curb price promotion?

Professor Dobson: To come back to the quantity discount dilemma, we see it in every retail environment. I do not mean just when you go into a supermarket and make a purchase. When you go into a fast-food outlet you are faced with the same issue: for a few extra pence, you can get a whole lot more food and drink. The issue of inconsistent unit prices pervades retail environments. You could regulate to ask that they set a common unit price regardless of size. That would be quite a drastic measure, but there are ways you could seek to control particularly extreme cases. For example, my understanding is that France has recently banned free refills of drinks. That would be a measure. You may think that banning buy-one-get-one-free offers would solve the same problem, but they could charge you an extra penny for the extra amount, so that does not resolve it. There are ways to work around it. That is a critical issue. You need to think through the ramifications of any measure, and you certainly do not want to have effects that could be deleterious simply because you have not reasoned through how vendors would respond to the measures.

- Q6 **Andrea Jenkyns:** Does the rest of the panel want to add anything to this before moving to the next question? If not, Professor Dobson and Andrea Martinez-Inchausti, are the Government right to claim that a lot of forward-thinking businesses are already making changes? You have mentioned a couple.

Professor Dobson: There are a number of instances where some companies have recognised there is a direction towards encouragement of sugar reduction, for example, so they are trying to reformulate their products, reduce sizes accordingly and promote that as signalling a benefit. The problem with a voluntary measure and agreement to do it is that companies, first and foremost, are profit motivated. They will focus on what it means for their revenue and profits. They will go only so far as



it suits their bottom line and how much they will make from it. Clearly, they have to think of what competitors will do. If they co-ordinate and move together, there might not be such a disadvantage in reducing size, but if you leave it to an individual firm to do that it may be reluctant to do it until other firms follow suit. This is where government policy can come in because it can act as a co-ordinator in this; it can overcome natural competition problems through lack of co-ordination, because it is requiring the industry to move in that way. This is what is interesting about the soft drinks levy. It applies to the industry en masse, so all of it will have to respond and take account of that measure.

Andrea Martinez-Inchausti: For years, our members have been leading the way in the area of reformulation, for example, and the nutrition values of products show that.

Our members have over the past couple of years been trying hard to move away from certain types of marketing and promotion that they have heard from their customers they do not want. Announcements have been made by a number of our members in the press that they are moving away from, for example, buy-one-get-one-free offers, and some members have removed sweets from checkouts. So, there has been progress, and some of this shows in the figures.

When the Committee met last time the evidence from Public Health England had just been published. That evidence showed 40% of food being sold on promotion. The latest figures show a decrease in a year and a half to two years from that figure to 27%, which was quoted at the end of 2016 by Nielsen. There has been a big move away from certain types of promotions to everyday low prices, for example. A lot of change has been taken up by individual companies.

Q7 Andrea Jenkyns: Do you have any evidence that the Government's action will accelerate the shift in the market?

Andrea Martinez-Inchausti: Once again, for the purpose of achieving that level playing field and getting everybody to the same point, there needs to be intervention.

Q8 Andrea Jenkyns: What more could or should the retail industry be doing to reduce the impact of the retail environment on purchases of unhealthy food? I would also like to turn it on its head. What more do you think could be done to make sure that people promote healthy food options within the food environment as well?

Professor Dobson: One of the issues is about quantity discounts. You have to ask yourself: why is it mostly unhealthy foods that get this? This is because of the nature of the dilemma in the consumer's mind. They want a bargain and so they are tempted to go large, but the angel on their shoulder is also suggesting they restrain how much they purchase and then consume. They face a tension. It is because of that tension that you get incredibly different unit prices. To give just one example, if you



went to a very well-known large retailer today and purchased a very familiar brand of carbonated drink, you would see a fourfold difference in the unit price between a small size and a large size or multi-buy. That kind of incentive, even for an unhealthy product, will drive bargain-hunters to purchase that; it is the extremity of that.

With healthier foods, you tend not to see such generous multi-buys for two reasons. One is that often the products are perishable. We all know about the problems of not consuming fresh fruits and vegetables quickly enough; they will perish and end up being thrown away. That limits them to some extent, but equally there is not that kind of tension in somebody's mind about the difference between wanting the bargain and knowing that it could be harmful. You will always have that tension with unhealthy products.

A further aspect of unhealthy products is that they tend to have what we call expandable demand. That is why the products that have the largest proportion of sales driven by price promotions are often quite unhealthy ones. They are expandable, and consumers will grab the bargains while they are there. Therefore, price promotion lies at the heart of the problem in the retail environment.

Andrea Martinez-Inchausti: Every single retailer in this country has an internal policy that makes it balance the quantity of products, both high fat, sugar and salt, if you want to describe them as such, or otherwise, that it advertises. Therefore, every retailer has made a commitment to promote healthier products. That was incredibly obvious over Christmas when there was a price war over vegetables to be used in the Christmas dinner. It was one of the first times when there was a real price war over carrots, for example, and that was certainly very well received by customers.

I think the perception for customers and their acceptability of what they would like to see is changing a little bit and with that the manner and type of products that are being promoted and how they are being promoted, but all our members are looking at different ways of positively promoting and providing information on healthier products to attract customers.

Q9 **Luciana Berger:** We have heard a lot in the press and media about the focus on products displayed at checkouts. I have seen a study that says that we collectively purchase a third of our sugar and saturated fat as a result of the products we see on end-of-aisle promotions. Professor Dobson, do you agree that that is the case? Do you think there is a different element of our retail environment on which we should be focusing that would make a greater difference in altering eating habits in our country?

Professor Dobson: That is a very interesting question because it goes to the heart of the importance of place within the retail environment and the visibility of products. The end of aisles is obviously a noticeable point.



HOUSE OF COMMONS

We have to navigate around them with our trolleys or baskets. They draw our attention to it and that lends itself to the possibility of impulse purchases. From what I am aware, up to 40% of what consumers buy are impulse purchases. By that, I mean that when we go into a supermarket typically we have a mental shopping list, maybe even a written one, but in addition we will make purchases on the spur of the moment, depending on what signals we see. Those signals often come with bright yellow, orange and red signs to attract our visual attention, but there is often a framing effect. When we see "40% off" or "50% off," it immediately attracts us as a potential bargain because of that framing, and as a result we end up putting those products in our shopping baskets or trolleys. As part of my analysis, I have seen cases where there has been a thirtyfold increase because of products being put on an end-of-aisle display. Therefore, the volume increase in these displays, if they are priced and positioned very well, could be absolutely massive and particularly successful.

Q10 Chair: Paul, you have touched on a couple of things. What further action would you like to see the Government take in creating the level playing field that we have heard about?

Professor Dobson: The aspect of a level playing field is important whenever you look at agreements with the industry. One of the problems with the responsibility deal is that it was bilateral. As part of the deal, it was agreed with the manufacturer or individual retailer what would happen. The incentive to come forward with such an offer, say to reduce the amount of sugar in products or price them in a particular way, will come about only if it is in your individual interest to do that anyway because of that collective problem.

Therefore, anything that helps co-ordinate action—I will qualify this in a moment—which leads to a benefit, whether it be a reformulation or change in the pricing structure, is to be welcomed. The caveat is that you do not want to co-ordinate in the wrong direction. For example, if you impose a tax on an ingredient like sugar and so all sugar products become higher priced, the worry is that it may co-ordinate prices on non-sugared products and they rise as well. Therefore, you get what we call an umbrella pricing problem. You raise the prices of some products and that reframes the price of others, which softens competition to raise them. You have to think through what the co-ordination effects are. You want them to be beneficial and not work against you, but on price promotions and activities there are ways to encourage it.

The big issue is the volume of what we purchase. I believe that consuming all goods in moderation is not all that harmful; it is just when they are consumed in excess, so you have to work on aspects. There has been a movement by retailers away from multi-buys, but if all that is replaced with is one-off discounts on large volumes that will not be helpful either. So, getting the ideal benefits is about co-ordination.

Q11 Heidi Alexander: Paul, I have a short follow-up to do with



HOUSE OF COMMONS

non-traditional outlets. For example, you might go into a garage to buy petrol but you come out with a bag of doughnuts because it is placed at the counter. What assessment has been made of the extent to which those impulse buys, not in the supermarkets, can have a detrimental effect, and what, if anything, do you believe should be done to tackle some of that?

Professor Dobson: To be clear on that, I confess I have been guilty of this myself. Expertise does not stop you being tempted is my only lesson from this. I have not seen a particular study on it. I am well aware of different retail environments where there is an incentive to make an add-on sale. You come in to buy one thing, such as a newspaper, and you are given a deal on buying a block of chocolate, and it is the same with doughnuts on top of a purchase of petrol. Clearly, all retailers try to create sales if they enhance profits or generate repeat business as well, because one of the other benefits of promotions is that they encourage loyalty.

It is worrying, in that yet again we see an example of an expandable demand product, in this case doughnuts. Temptation will allow us to make that purchase, whereas if it was a healthy product we might not choose it to the same extent. We are caught in an environment where we are directed to a product that we are not necessarily expecting to be there. There may not be an alternative healthy variant of that and we are steered into making that purchase. So, it applies as much to that unconventional shopping environment for food as it does to a supermarket. You could make similar cases in relation to fast-food outlets. You might go in for one product but are tempted by the value deal on offer for the entire meal, as a bundle deal. It is exactly the same problem; they are encouraging you to add on an extra purchase.

Q12 **Heidi Alexander:** Mr Coupal, moving to advertising, Public Health England made a whole range of recommendations about changes to advertising with respect to high sugar, fat and salt products. I know you announced a new initiative back in December. Could you explain to me what was recommended by Public Health England that you have not taken account of in the announcement made in December?

Shahriar Coupal: I am not sure that we have made an evaluation of what we came out with in comparison with everything PHE said. We clearly took into account PHE's review and looked at the evidence base around the impact of advertising on children's food preferences. In general terms, we have a legal obligation to try to balance commercial free speech with necessary restrictions. That is particularly pertinent in our democratic society because advertising helps to pay for some of the media we enjoy.

We did an evidence-based review. We took into account PHE's concerns and concluded that, while the evidence of advertising's impact on children's food preferences had not changed, the context certainly had. The context in which we view that evidence has changed most



significantly in non-broadcast advertising where we have seen the role of the internet in children's lives. Today, children are spending more time online than they are watching TV. TV is holding up; they still watch it but they are adding to that their viewership of online material as well. That has fundamentally changed.

While the evidence shows that there is a modest effect on children's food preferences and some link to diet, there is no suggestion of a direct link with obesity itself. Nevertheless, we thought that because of the changing circumstances it was appropriate to announce in December that, from July of this year, we would introduce a ban on HFSS product ads in all non-broadcast children's media, including media of particular appeal to children, which brings that into line with the TV restrictions that have been in place for the past 10 years.

Q13 Heidi Alexander: One of the suggestions in the past has been that you extend a ban on advertising of high sugar, salt and fat products up to the 9 pm watershed to take account of programmes that children and lots of adults might be watching. Is that something you will be considering, because you have not taken that step to date, have you?

Shahriar Coupal: The consultation we ran was with CAP, which is the non-broadcast body. As to our general approach to this, we have a genuine concern to put the protection of children first, but that has to be mindful of avoiding inefficient, unwarranted or perhaps even counterproductive restrictions in terms of advertising bans.

Between 2004 and 2007 Ofcom undertook the most thorough exploration of HFSS TV advertising, and it concluded that to place a ban within children's programmes and programmes of particular appeal to children was merited. It considered that further restrictions were not warranted for two reasons: first, the public health benefits were uncertain and the cost of extra regulations was, in Ofcom's view, too great. For example, Ofcom calculated that a 9 pm restriction would lead to a loss of broadcast revenue to the tune of £211 million net. Clearly, that has consequences for UK original programming, including children's programming. Ofcom was also concerned about the blunt instrument of a 9 pm watershed. As you may know, Ofcom licenses 1,200 channels, the vast majority of which do not have any child audience, or a negligible child audience, and to impose a 9 pm restriction on those would be simply unwarranted. So, BCAP—the Broadcast Committee of Advertising Practice—has not seen evidence to convince it that it should challenge the conclusion to which Ofcom arrived, but it is not complacent about that; it is open to new evidence.

Q14 Heidi Alexander: You are saying basically that the broadcaster's bottom line is more important than children's waistlines.

Shahriar Coupal: No, absolutely not. We are saying that we have a legal obligation to balance the protection of children with commercial freedom of speech. We cannot put in place disproportionate regulation that is



HOUSE OF COMMONS

unjustified. Of course, Ofcom's concern was to reduce children's exposure to HFSS advertising and that the measures taken were proportionate to that. It felt that the public health benefits would be too uncertain and the loss of revenue to broadcasters would be too great to go beyond the measures it took.

As to the public health benefits of that, Ofcom found from its research that there was only a modest direct influence on children's food preferences arising from TV advertising. Therefore, if one were to eliminate all HFSS advertising from the schedule, one would be eliminating only a modest direct influence on their preferences. Clearly, it was unwarranted to have such a level of restriction, and that was why it concluded overall that a certain restriction on children's programming was appropriate.

Q15 Heidi Alexander: I want to ask about the restrictions you announced on non-broadcast advertising in the cinema and online. As I understand it, a threshold applies to the proportion of the audience that is children. Can you explain exactly how that would work and whether you have any intentions to go further in that regard?

Shahriar Coupal: The proportion we are proposing is a 25% rule. We reverse the burden of proof. We invite the advertiser to prove to the ASA that it is placing its advertising appropriately, and it can use various measures to relay to the ASA what it believes the audience composition of that particular media is. In most cases, it is quite clear where media are directed just to a child audience or predominantly to an adult audience. In borderline cases, the ASA requires the advertiser to substantiate what the audience profile of the particular media is. Where over 25% of the audience are under 16, they cannot place ads for HFSS products in those media.

Q16 Heidi Alexander: How is this going to be enforced online?

Shahriar Coupal: It is already enforced. We have had the 25% rule in place for some time. The ASA has been regulating online advertising for high on 20 years, and since 2011 it has been regulating online advertising in non-paid-for space online, including social media, advergames and apps. The 25% rule applies also to gambling and alcohol products. Those products cannot be shown in media where more than 25% of the audience are aged 18 or younger. Therefore, it is already being applied. Advertisers understand that when they contract with media they need to know what the audience profile is, and in the event ASA receives a complaint about inappropriately placed advertising it would ask the advertiser to substantiate the audience profile.

Q17 Chair: Twenty-five per cent is a very high bar, is it not? There was quite a demand to bring the bar down from 25%. Do you not think it is a very high threshold?

Shahriar Coupal: I am sorry—a high threshold which way?



HOUSE OF COMMONS

Q18 **Chair:** For children—the threshold of 25% of the audience being under 16. Did you look at bringing that down?

Shahriar Coupal: We did not get a lot of pushback in our consultation for lowering the bar. The 25% is a figure known to advertisers and seems to work. Looking at it through the other end of the telescope, it would ban HFSS advertising in media where up to 75% of the audience were adults. CAP feels that extending that ban to 80% or 90% of adults would be disproportionate given the evidence of advertising's impact on children's food preferences.

Q19 **Dr Whitford:** How much is spent in the United Kingdom on advertising, particularly these kinds of products? Do you have any sense of how much that is?

Shahriar Coupal: I am afraid I do not know that figure.

Q20 **Dr Whitford:** Certainly I know that it is a considerable sum. We had the figure the first time we did the inquiry, but I cannot remember that far back. You are suggesting that advertising does not work and therefore we should not be worried about advertising high fat and sugary foods to children because advertising does not really influence them. As someone who is involved in advertising, I am sure you really are not trying to send out the message that advertising does not work.

Shahriar Coupal: I am involved in the regulation of advertising. Both our legal duties and long-standing self-regulatory responsibilities are to prevent advertising that leads to misleading, harmful or offensive information. Obviously, we are concerned here about the potential harm that might arise from the advertising of HFSS products and what might be proportionate measures to mitigate the harm coming from that. The evidence of the impact of advertising suggests there is a modest direct influence on children's food preferences and there is some link to children's diets, but the jury is out about the extent to which advertising contributes to obesity.

We are not saying advertising does not have an effect; quite the opposite. We are saying it does have an effect, albeit a modest one, and that, together with the persistently, stubbornly high rates of childhood obesity in this country, it merits a form of restriction. That includes restrictions on both the placement and scheduling of ads and their content, which is important. Our rules do not prevent children from seeing ads in other media, but, where they do, we have rules in place that ensure those ads do not encourage an unhealthy lifestyle in children, or invite them to pester their parents about preferred products. We have a combination of placement and scheduling restrictions together with content restrictions that we think appropriately mitigate the potential harms that can arise.

Q21 **Dr Whitford:** Do you think the balance is right and parents do not get pestered to buy particular products?



HOUSE OF COMMONS

Shahriar Coupal: How does a regulator know they have the balance right in our case?

Q22 **Dr Whitford:** I suggest it spends some time in a supermarket listening to children nagging their parents to get this or that product. "Can I have this? Can I have that?" Where do they get the name of that cereal, that drink or chocolate bar if they have not seen it advertised?

Shahriar Coupal: We do not regulate in-store retail.

Q23 **Dr Whitford:** But the child comes into the store knowing the name of what it wants. You suggest that advertising is not having an effect on children nagging their parents. Frankly, as someone who has struggled with her weight since mid-teens, I would not think there was harm in adults having a little bit less high fat sugar advertising put under their noses either.

Shahriar Coupal: On that score, Ofcom was very concerned that any regulation should not have any unwarranted intrusion into adult viewing time. That would also be our concern in relation to non-broadcast advertising.

Q24 **Dr Whitford:** How does it inhibit the pleasure of viewing the programme to have maybe fractionally fewer HFSS products advertised? We do not advertise cigarettes or drink, and we are trying to tackle something that is now a public health issue. Lots of adults just fast forward through the adverts.

Shahriar Coupal: Going back to our legal responsibility, there is a right to commercial free speech and for people to receive information about products that might be of interest to them. That is important in terms of adults receiving such information.

Q25 **Dr Whitford:** You think the adverts work on adults but you do not think they have a big impact on children.

Shahriar Coupal: I think the adverts work on both children and adults, but we are talking about the effect in terms of their food preferences. The concern here is more about obesity, and clearly there are many more primary factors involved in the underlying causes of obesity: parenting, schools policy, public understanding of nutrition and so on.

Q26 **Dr Whitford:** Public Health England put advertising and promotion as the top two when it gave evidence to us. Higher than the sugar levy, which I think was No. 4, was advertising and promotion, both of which are not really much in the new strategy. That is the reason we are asking so much about it.

Shahriar Coupal: I cannot speak for the new strategy, but I can tell you that we think advertising does have a role to play. Advertising regulation is playing its role by putting in a very strict ban. It is among the toughest in the world in terms of advertising HFSS products to children both in



HOUSE OF COMMONS

broadcast and non-broadcast media. From July of this year, all media directed to children will not be able to—

Q27 **Dr Whitford:** There are countries that do not have anything like this before a 9 o'clock watershed. Surely, we cannot be the strictest in the world if there are countries that do not advertise this on television before 9 o'clock.

Shahriar Coupal: I said it was among the strictest in the world, and I think that is also borrowed from the language of the strategy.

Q28 **Luciana Berger:** Does the Advertising Standards Authority accept that, while proportionately fewer children might be exposed to adverts of foods high in fat, sugar and salt in both broadcast and non-broadcast media, in absolute terms there are plenty of examples where large numbers of children will be exposed to these adverts?

Shahriar Coupal: That is clearly the case. Both Ofcom's prerogative and ours was to introduce rules that significantly reduced children's exposure to HFSS advertising—for example, the number of ads that perhaps they might see each week and so on. By banning HFSS ads in all children's media, we are significantly reducing their exposure to those ads. There may be media popular with children that attract a large child audience and deliver a handful of ads to them. Our view is that, taking it in the round, the measures we have put in place have significantly reduced children's exposure. Ofcom's measures resulted in a 37% decrease in children's media. Because of the fragmentation of non-broadcast media, I do not know whether we have precise figures for what would be the reduction in children's exposure to non-broadcast HFSS ads, but it will be very significant. Will there be times when children still see ads? Yes. The protections in place are the content restrictions I talked about: not encouraging an unhealthy lifestyle in children and not encouraging pester power. For those under 12, any HFSS ads that they do see cannot include promotions, licensed characters or celebrities popular with children.

Q29 **Luciana Berger:** Having watched Saturday night television the other week, in "The Voice" I counted no fewer than seven adverts for foods high in fat, sugar and salt in one segment of advertising. I know from the audience figures that, while it is below the threshold, as a proportion of the total numbers, thousands and thousands of children are exposed to these adverts. What is your view on the impact of that?

Shahriar Coupal: I would probably go back to Ofcom's consultation on this. Its view was that restrictions beyond those it proposed around children's programmes would not be merited on the basis that public health outcomes from further restrictions were uncertain and the loss of revenue to broadcasters was too great, with a potential reduction in UK-originated programming, including children's programming.

Q30 **Luciana Berger:** I imagine that members of this Committee are as passionate as I am about television programming in the regions and what might happen to our advertising sector, but we are equally concerned, if



not more so, about the burden on the NHS as a result of that advertising. What is your view, or that of anyone else on the panel, about how we reconcile those two contrasting and conflicting differences?

Shahriar Coupal: If the evidence suggested that advertising had a greater effect on children's food preferences, I would have much greater sympathy with that view. The evidence suggests that it has a modest impact on children's food preferences and some link with children's diets, but it falls well short of establishing a link with obesity. The calculation that seeing ads equals obesity is simply not proven. The multiple and complex factors that cause obesity—parental policy, schools policies, public understanding of nutrition and so on—are perhaps much more in the dock than advertising.

Jon Woods: I certainly would not put the benefits of advertising above the health of our kids. As someone with kids, that is the last thing I would want to do. We do have tight advertising control. As a global standard, the UK has a tight advertising market. As a company, we are compliant with all the existing codes and practices under the Advertising Standards Authority. We have been very supportive of the latest change, in particular online. Trying to bring that code in line with the broadcast code is important.

On Heidi's point, it is difficult to understand exactly how you prevent that happening online. It is a much more difficult environment. I do not have an answer for how to make it better online. There is certainly a tighter ability to regulate it on broadcast TV, but, if you look at where children consume media, it is increasingly online, so it is important that we have brought the codes together.

As a company, we would go a step further, in that the vast majority of our marketing money now goes behind zero-sugar and zero-calorie variants to try to encourage it. I am conscious of the issues around high fat, sugar and salt products. We have deliberately changed the way that we do our marketing to try to support zero-sugar variants much more overtly and loudly to encourage people to make lighter choices, if that is what they want to do.

Q31 **Luciana Berger:** Does the ban you have mentioned that is to be introduced on all non-broadcast media extend to advergames and apps connected to foods that are high in fat, sugar and salt?

Jon Woods: Very much so. When advergames or any apps are directed at a child audience, those cannot have HFSS advertising with them.

Q32 **Luciana Berger:** Does that mean that the food companies themselves cannot sponsor those games?

Jon Woods: Correct.

Q33 **Dr Davies:** The soft drinks industry levy is perhaps the most eye-catching element of the childhood obesity plan published by the



HOUSE OF COMMONS

Government; indeed, it was something that the Committee supported, albeit in a different form. Mr Woods, what do you say is likely to be the impact of the levy on the soft drinks industry?

Jon Woods: I know it was part of the Committee's report, and it became the only hard-and-fast action that I could see in the childhood obesity strategy as it came out. Unfortunately, I do not think it is an effective measure on its own for tackling childhood obesity rates. It is remarkable to look at the shape of the soft drinks industry and how it has changed over the past decade. If you turn back the clock just over 10 years, we were selling three regular sugared soft drinks for every one zero-sugar or diet drink. Today, it is one to one. It is a massive shift in the make-up of the industry. To put it another way, we are selling 44% less sugared soft drinks today than we were a decade ago and yet obesity rates are up. I think it is hard to draw a causal link solely between soft drinks consumption and obesity rates.

The levy is designed to encourage reformulation. The report in the area of obesity with which I have felt the greatest affinity is that of the McKinsey Global Institute. That said, there were two main things that manufacturers could do: one was the reformulation of products and the other was portion sizes, to which Paul has already referred.

The soft drinks industry is already very rapidly reformulating products without a levy, because ultimately it is competing in a marketplace to provide drinks that people want to buy. Increasingly, they want to buy lower-sugar, lower-calorie drinks. We are competing and the market is encouraging us to change recipes and reduce sugar content. I am sure that will continue.

As a company, I do not think it will persuade me to do something I was not planning to do already, because we were planning to reformulate products and change recipes as we went along. Indeed, since I started in this role we have reformulated 28 of our leading drinks, every time reducing sugar and calories, to the point where, now, over 50% of everything we sell is already zero calorie. Therefore, we were already doing reformulation.

Portion control is the other big thing. From McKinsey's work, that seems to be top of mind for what manufacturers can do. I think it will have less impact on portion control than reformulation.

Q34 **Dr Davies:** Could I extend the question to the British Retail Consortium's stance?

Andrea Martinez-Inchausti: Interestingly, we did not express a very strong view either way when the levy was suggested. We have accepted the levy. We have never really expressed disappointment or necessarily supported it. We have accepted that the measure was coming. Indeed, our response to the consultation focused very much on the practical implications such as definitions, scope and so on. I agree with everything



HOUSE OF COMMONS

Jon has said. Soft drinks has been one of the categories in which more work, if not the most work, has been done in sugar reduction. However, it probably has speeded up the process a little bit. A number of members have stepped up the reformulation approach to soft drinks to head off its entry into force in 2018.

Q35 Dr Davies: Professor Dobson, could you also give your views in regard to the impact on the industry and on public health?

Professor Dobson: Thank you very much for asking me the question. This is a matter on which I have reflected and have been doing research. I come back to two points. One I have already raised when I mentioned the term “umbrella pricing.” The risk is that, if you set the levy too low, you raise the price of sugared drinks but not so high that you deter people buying them. Equally, you might provide an incentive for non-sugared, or reduced sugared-drinks, to sit under that umbrella of a higher price. You could end up raising all prices, which is not the desired effect. The desired effect is about substitution; that is, to get consumers to move from buying sugared product to a reduced or zero-sugared product. So, the pricing incentives have to be right.

To be clear, I do not want to punish the industry by arguing for a high levy; I want to make sure that it does reformulations and consumers shift to those reformulations. That is one aspect.

A secondary aspect is that the higher you make the levy, the more difficult it is to give a generous bargain discount on large quantities, because those large quantities also have to carry the levy into them as well. I see a double benefit of a high levy. First, you raise prices in such a way that it steers consumers to buy the reformulated products; secondly, it will reduce the generosity of the quantity discounts simply by virtue of those larger quantities having to pass on the levy being raised.

Q36 Dr Davies: What is your view about the way the levy has been tiered?

Professor Dobson: There are two alternatives. One is to introduce a levy on manufacturers and importers, which is the route that has been proposed and chosen, or, secondly, you could introduce it through a value-added tax-type approach at retail level. I have argued that the appropriate level is to direct it towards the manufacturers and treat it almost as an excise duty, as you would with alcohol, because of the problem that, when it comes to retail pricing, the retailer will steer consumers to take very large volumes of drinks. If you are doing only a percentage based on that, you are not achieving what you want; you may even encourage more consumption. Therefore, I can see a perverse effect if it is applied at the retail level, but I am well aware that there is absolutely no guarantee that retailers will necessarily pass on the levy in the percentage amount expected; they could pass on more or less, but if you set the level high enough one way or another they have to pass it on. They cannot cross-subsidise with other products, and that would be a risk I would be concerned about.



HOUSE OF COMMONS

Q37 Dr Davies: What do you think is the level at which it needs to be set, because the Office for Budget Responsibility has estimated it may well equate to 18p or 24p a litre, depending on the concentration of sugar?

Professor Dobson: I think that is the minimum. If you really want it to be effective in encouraging reformulation and consumers to substitute products, I would look at doubling that. That would have a very profound effect and act as a clear signal to everybody: the general public, consumers making purchases and the industry. I know it sounds drastic and hard-hitting for the industry, but, as we have already heard from Jon, the industry is moving in the direction of reducing sugar in drinks anyway. If you structure it right, all it will do is accelerate that reformulation and move towards less sugar consumption.

Q38 Dr Davies: Jon Woods, I know you doubt the effectiveness of the whole idea in any case, but what level do you think the levy would have to be set at to have an impact of some kind?

Jon Woods: I think it is a hypothetical question, and I am not sure I am particularly well placed to guess at what level you are looking for. I would say it is a pretty hefty levy exactly as it is on a sector of our food and drink consumption where sugar is collapsing as a percentage. It has gone down 44% in the past decade. By every measure, manufacturers such as Coke are doing the right thing in taking sugar out of their products. At the same time, total sugar consumption is not declining at nearly the rate as in soft drinks. It seems strange to me even to consider doubling down on what is already a very extensive levy by international standards on the one part of the food and drink industry where sugar is falling fast.

Q39 Dr Davies: Assuming the levy goes ahead next year, what encouragement can you give that the associated cost will be passed on to those consuming the high sugar drinks in particular as opposed to other drinks within your brand?

Jon Woods: I cannot make any specific references to retail pricing. Prices in stores are set solely at the discretion of the retailer, not by manufacturers. I would observe that it is a very significant additional cost to my business. I am in business and I need to recover my costs, so between that and the other costs being added to the business over the next year or so I will be seeking to make sure those costs are covered.

Q40 Chair: We have heard about the danger of it being an umbrella cost and spread over your entire product range. We have heard very clear evidence that for it to be effective there needs to be a price differential. Will you be passing on that price differential to retailers? It is a very important point.

Jon Woods: I understand. I will not go into our commercial relationships with customers.

Q41 Chair: No, but there is a very important point here, Mr Woods, about the principle of passing it on.



HOUSE OF COMMONS

Jon Woods: As to the principle you are trying to get to, given how hard I am working to try to reduce sugar in my portfolio, it would not be in my interests to try to fight the way the levy is passed on.

Q42 **Chair:** It would not be in your interests, but in this Committee we want a commitment that you will pass on that differential to retailers. You cannot control what the retailers do with it, but, if you spread it across your whole product range as an umbrella increase so that other parts of the product range subsidise the sugar, that would be unreasonable.

Jon Woods: That would not be my intent.

Q43 **Chair:** That is not your intent.

Jon Woods: No.

Q44 **Chair:** But will it be passed on in full proportion to which you are being levied?

Jon Woods: Genuinely, that is up to the retailer.

Q45 **Chair:** It is up to the retailer as to what it does, but from the point of view that you retain control will you be passing on the full effect?

Jon Woods: I will look to recover my costs.

Q46 **Chair:** To recover your costs under the umbrella or in line with the tax.

Jon Woods: Broadly in line with how the levy is applied, I will seek to recover it.

Q47 **Chair:** Broadly in line or in line in order for it to have maximum effect. It is a very important point.

Jon Woods: I understand the point. I am not seeking to do anything other than exactly what you suggest, which is to pass it on as it should be, or as recommended by the Government. I am not seeking to do anything else.

Q48 **Chair:** That is what you are seeking to do.

Jon Woods: That is what I will seek to do.

Q49 **Dr Davies:** What is the perception of other panel members about the likelihood of it actually being the case that high-sugar drinks will be the ones that experience price increases in the shops?

Andrea Martinez-Inchausti: At the moment, my members are trying to understand what products will be affected come 2018, because reformulation is going ahead and it is planned to conclude before 2018. They are hoping that the quantity of products that will be affected by the levy will be the minority. We understand that some will be covered, and each retailer will have to make a decision about how it approaches that and how it translates in terms of costs.

Q50 **Dr Davies:** Professor Dobson, what is your thought as to how the



proportions of the soft drinks industry will change as between high and low sugar? Do you think there will be a market alteration in consumption between the two?

Professor Dobson: Looking at this particular industry, you want to separate out the children and young adult market, and what it might substitute among all the other soft drinks, as opposed maybe to some adults, particularly in a non-retail environment, going out where there might be an opportunity to substitute alcohol. There might be two different effects. It would leave a situation where, if the levy was sufficiently high and passed on, and the retailer was also prepared to pass it on, you would get a premium price for the sugared product. It would be for the industry to decide how it approached that premium-priced product, but clearly it would seek to position it as such for special occasions when you might need a high level of sugar. I would suggest that would appeal more to an adult market.

The crucial issue we have been discussing today is about childhood obesity. There, the effects are likely to be much more about substitution towards reduced sugar products for two reasons. One is the pricing incentive, and, secondly, there is the very strong signal to consumers and the public that the right thing to do is to substitute, so the default does not become a sugared drink but a non-sugared or reduced-sugar drink. That is what we are trying to achieve here.

There are issues about the speed of it. I understand that for the industry we are talking about major investments and time to adjust in the market. I thought it was an interesting move to design the levy with forward thinking in mind and allow for that adjustment, rather than that it be automatically introduced, but we want to see that switch in consumption patterns. I predict that we will see sugared drinks become a minority. They will be left with either energy drinks, where you need sugar for performing in sports and working out, or as premium products with a high sugar content designed for adults.

Q51 **Dr Davies:** Do you worry about the emergence of mid-sugar drinks, such as Coca-Cola Life, which have 30% less sugar than standard Coca-Cola but nevertheless are still quite sugary, and the mixed messages that sends out, and whether there is a risk that sugar intake could increase among some people who are currently drinking the zero-sugar alternative?

Professor Dobson: Any improvement is an improvement. I think it is a sizeable improvement, and that is the critical issue. The message has to come across: reduce your sugar content.

Let me reinforce one of the issues we have touched on: portion sizes. I am delighted to see new products coming on to the market that are being repositioned for a reduced norm—for example, the advent of 250 ml as opposed to 330 ml cans. If it says on large bottles that the recommended serving portion is 250 ml, what guarantee do we have of consumers



HOUSE OF COMMONS

adhering to that? When the norm in their mind is 330 ml, that is a problem; they will consume more. Therefore, adjusting the norm and encouraging drink sizes to be packaged as 250 ml could be a step in the right direction as well. The industry is making that move. Encouragement to move quicker would also be helpful.

I come back to the enormous disparity in unit pricing. Let me make this concrete so that we know what we are talking about. A small bottle of a carbonated drink that works out at 25p for 100 ml, compared with a multi-buy offer that works out at 5.7p, is a huge incentive to bulk buy, and I do not believe many consumers adhere to consuming just one 250 ml portion.

Q52 Dr Davies: Jon Woods, do you feel there is a possibility of consumer confusion, whereby those currently on zero-sugar products do not quite appreciate that mid-sugar brands have far more sugar?

Jon Woods: If I take your example of Coca-Cola Life, that is a tiny, tiny proportion of the total Coke business; it is less than 1%. The majority of people who have tried Coke Life have switched to it from Coke Classic, so it is a reduction in sugar, but it is a tiny part of the business.

For me, the focus in running the business is that the best products to help people make lighter choices are the zero-sugar and zero-calorie variants. If we take a much bigger part of the portfolio, Coke Zero was launched 10 years ago. It has done okay, but it never really set the world alight. When we asked consumers why it was not working and they were not effectively moving from Coke Classic to Coke Zero, 50% did not realise that, with Coke Zero, the zero meant zero sugar. We relaunched it last year and called it Coca-Cola Zero Sugar. Sales are 40% up. You think it is a light bulb moment, but the intent is to try to encourage and nudge consumers into lighter options. That is definitely the intent at Coke, and I believe it is the intent in the soft drinks industry. Therefore, to go back to my earlier point, it is strange to focus on the one part of the food and drink industry that has been so successful at reducing sugar levels versus any other part of the food and drink industry.

Q53 Maggie Throup: Professor Dobson almost made my case for me. I come back to something Mr Woods mentioned about portion control. It is easy to shrink individual servings and chocolate bars, but when you buy a large bottle it is very hard to know how much is 250 ml. If we asked people here how much water is in my plastic glass, few of us would get it right. One of the other matters that came out of our report was about making labelling simpler. A spoonful of sugar is very visual, but that does not help to divide up the bottle. Is there more the industry could do on a voluntary basis, such as along the lines of labelling, especially as we are now coming out of the EU and its regulations, that would help?

Jon Woods: First, 250 ml cans is a very interesting area. We launched 250 ml cans three years ago. We now have those cans in 12,000 stores up and down the country, and distribution is growing, so they are



HOUSE OF COMMONS

becoming more and more available. On the larger sharing bottles, it is quite difficult.

Q54 **Maggie Throup:** People do not share; that is the problem.

Jon Woods: People do share; that is what they do, but you are right that it is quite difficult to judge. One idea we have looked at but not implemented yet is whether we can put portion markers on the side of a bottle, which you see on some juices. We have just introduced on the side of all our packs the number of portions that the pack contains, so a label will say that a 1-litre bottle contains four portions. It is not quite where you are going, but it is starting to move in that direction.

As for labelling in a general sense, the Government have a recommended labelling scheme, which is colour-coded GDAs. Coke was one of the first companies to adopt that. We are still one of only a third of major packaged goods companies to adopt the Government scheme. The issue on labelling is not whether we can have a new scheme but whether we can all use the same one. There is a Government recommended scheme, so I think it should be incumbent on manufacturers and retailers, frankly, to use that scheme, and then there would be some clearer understanding and level playing field to address the point.

Q55 **Maggie Throup:** Does the Government scheme need more teeth if people are not complying with it?

Jon Woods: I do not know how to make more people comply. I guess that is for you to decide. I know that at Coke the decision we made was that consumers find it useful to put that labelling scheme on our packs, so we did that. It is less about the numbers on GDA labelling; it is more about the colour codes, which are quite intuitive.

Q56 **Maggie Throup:** It is the visual side, is it not?

Jon Woods: Yes.

Q57 **Andrew Selous:** Professor Dobson, we have focused a lot on the soft drinks levy, but it is important to remember also the Government's aspiration to take 20% of sugar out of breakfast cereals, yoghurts, biscuits, cakes, confectionery, pastries, puddings, ice cream and other sweet goods. What impact do you expect those measures to have on the food and drinks industry?

Professor Dobson: The measures will fail because they are not targeted. They have the same problems as the responsibility deal, in that they are relying on one-to-one agreements as opposed to an industry requirement to do it. The reason I think the soft drinks industry levy will work is that it applies to the industry. Either you adjust and reformulate or pay a tax, so there is a clear incentive on everybody to move in a direction. A vague statement that you want to reduce by 20%, without identifying where you want that 20% to come down and how you are to achieve it, because that is not clear to me from what is stated, is not



HOUSE OF COMMONS

going to be a successful strategy. It does not even tell you where the starting point is and where you are going to go with it. I have grave concerns about almost a broad aim rather than an action plan, which this was supposed to be. I think it needs to be much more categorical on product categories where they would like to see reductions and work on it on that basis.

Q58 Andrew Selous: Thank you for being so frank about it. To be a little more specific, what further teeth do you propose should be applied to measures that will result in achieving a 20% reduction across the nine categories I mentioned?

Professor Dobson: There is no stick here. What is the threat if you do not comply? If the targeted nutrient in this case is sugar, there should be some implied threat that, if you do not reduce by this level in a set period, a sugar tax will be introduced for your particular category.

Q59 Andrew Selous: I agree it is a little vague, but the Government have said they will use other levers to achieve the same aim if there has not been sufficient progress by 2020. To be a little more specific, what do you think we need?

Professor Dobson: To make a threat credible, you have to show what the stick is. To make vague suggestions that there could be further action is not enough. Give the industry a clear timeline by which you want it to reformulate and then work on that basis and say what will happen.

Q60 Andrew Selous: I am still pressing you on what you think should happen. Are we talking about another tax?

Professor Dobson: Yes.

Q61 Andrew Selous: You are saying, "Why stop at soft drinks?"

Professor Dobson: Yes; why stop at soft drinks? In my mind, it is not about the tax-raising aspect; it is about the incentive structure you want. You want to change the incentives in the way the industry formulates its products, the way in which they are sold and the way in which consumers buy them. You want all of them to substitute to something that is reduced sugar. That is your ultimate aim. We have already seen the effectiveness of the soft drinks industry levy, because we are aware that some companies are reformulating and planning. Whether they are brand manufacturers or own label retailers, we are seeing the effectiveness of it. I think it is a very good device if you are clear about it, provide the incentive and say, "The way to avoid this is to make the changes now, or work over a structured plan with a clear timeline." It is the lack of a clear timeline and consequences if you do not work to it that troubles me.

Q62 Andrew Selous: You have been admirably clear. Can I ask for a comment from the British Retail Consortium?

Andrea Martinez-Inchausti: I am a bit more optimistic. I am not sure I would say that the plan is going to fail. It will have a certain success. Will



it have full success? To get to that point things need to be introduced. One is that we have called very strongly for a level playing field. We understand that this time around more conversations are being had with companies that perhaps have not been engaged before. We strongly believe that the original ambition to engage with every single company that has 15-plus outlets in the country should be pursued. That is the minimum level of engagement we need if we are not going to pursue legislation.

Q63 Andrew Selous: To challenge you, the soft drinks levy has already been effective in changing behaviour, so why not replicate it for the other nine food categories?

Andrea Martinez-Inchausti: I believe there is a way we can reformulate. We are in the process of moving towards products that are lower in sugar. Unlike the soft drinks category, there are no alternatives by way of freely available sweeteners or other ingredients to move to products that are low in sugar. The driver that has been acknowledged to reduce sugar in some categories, for example chocolate confectionery, is portion sizing, so different approaches are being used to reduce sugar in different categories.

We believe that the additional element required, having gone through detailed meetings on all the 10 categories identified, is a bit more detail. We favour the approach of having maximum targets in a similar way to those we have for salt, as opposed to an overall ambition of a reduction of 20% by category. We feel that those will enable companies to focus more and have more guidance as to what a reasonable level for certain sub-categories would be—an achievable and reasonable quantity of sugar.

Q64 Dr Whitford: Let me finish off by asking each of you how you think this should be evaluated, and success measured.

Andrea Martinez-Inchausti: It is an interesting question. There are a number of elements currently being discussed. The specific focus at the moment is on the reformulation element. Some measuring tools have been discussed that will show how much we are progressing. There is talk about measuring the baseline of the sales-weighted average for each of the categories at the moment and measuring it again in a year's time. That will give a good indication of whether we are progressing in the right direction.

There are other aspects. For example, how do we make sure that we are moving in the right direction on portion sizes? It is a little more difficult to understand what that measure would look like. At the moment, there are talks about volume of sugar, but I do not think that will necessarily specify it or correlate directly with portion sizing. At the moment, we are all thinking about what measurement for that element might be, but the sales-weighted average approach that Public Health England has



HOUSE OF COMMONS

suggested should go a long way in identifying, measuring and indicating that progress is being achieved.

Jon Woods: I go back to my earlier point. I am not sure that tax is a good way to achieve the policy goals you have set out.

Q65 **Dr Whitford:** I am talking about the whole plan. How would it be, say, in 2020?

Jon Woods: As Paul said, it is not about raising revenue or punishing companies; it is about trying to reduce childhood obesity rates. I do not know what the measure is, but that is the goal. It strikes me that we have a very narrow, firm policy—the soft drinks industry levy—which is targeting a sector where sugar consumption is declining very fast, so, if you use childhood obesity as your end goal, I would be surprised if the measures outlined so far made much difference.

Q66 **Dr Whitford:** Obviously, you need two measures. The end measure has to be whether we see the curve go back down. That was why there was a call for extending the measurement programme on children, but that will take quite some time. You need short-term measures, too.

Jon Woods: Yes, but I am not sure what they are for sectors outside soft drinks, so I am not sure that I can help you.

Q67 **Dr Whitford:** Mr Coupal, is there anything you can suggest about evaluating the approach, not just one piece of it?

Shahriar Coupal: My comments would be specific to advertising regulation. One of our concerns would be to monitor the consequences of the ban coming in. Ofcom was very concerned when it introduced the ban about other areas where HFSS advertising might go. We need to be vigilant about changes in the market, stay on top of the evidence base and, as we always do, monitor the success of any measure we take a year after it is introduced, and try to deal with any ambiguity in the law, in particular, as Jon mentioned, about the extent to which it is clear to advertisers that there are clear audience measures they can use to apply the 25% test. A few ASA rulings might help in that regard. The concern is to remain vigilant.

Professor Dobson: I have reflected that there are aspects that trouble me about the action plan in terms of its lack of direction beyond the soft drinks industry levy. I like to see very clear targets and milestones to achieving those, so that there is a clearly understood plan that everybody involved in the industry and consumers can see. The lack of commitment and direction troubles me. We could be here in a few years' time and nothing will have improved and nothing changed. There has been some reformulation of some products, but it has not been enough to stop an epidemic. Whichever way you look at it, that is what has happened. We know that obese and overweight children are likely to become obese and overweight adults. That imposes huge health costs as a burden on society and reduces the quality of people's lifestyles and living.



It is fundamental that we as a nation get this right. We have an opportunity, but we need to seize it. I would like to have seen more direction on price promotions. I have said that they are an issue. They are an issue because of temptation. Temptation awaits us all. I suffer from the doughnuts in the petrol station; I suffer temptation all the time. I am always reminded that the success of many industries and companies relies on availability. Coca-Cola has been enormously successful—an amazingly successful company—at trying to keep products within arm's reach so they are accessible. The same goes for many food and drink companies.

As far as I can see, the one thing that curiously is not even mentioned in the policy, which is about food, drinks and the nutrients in them and physical activity, is what is in the containers in front of us: tap water, not necessarily bottled water. It is almost free. If we encouraged parents and children to drink more and made sure we put it within arm's reach for them, what a difference it would make.

Can I give a couple of examples? Why is it that you cannot go into a fast-food restaurant and be served tap water? You have to order a value meal; it is a hamburger, fries and a carbonated drink. Why do they not give you tap water and take off the price of the carbonated drink in the value deal, for example? Then you would be encouraged. Why isn't there a water fountain available there so that, rather than have a free refill of a sugared drink, you can have a free refill of water? There are other environments. Make it a policy that for children everywhere—in schools and in every facility—tap water is freely available to them. Get that message over to parents so that when they sit down in the evening ready for dinner they serve water, not another drink.

Q68 **Chair:** We are doing our bit here on the Health Committee.

Professor Dobson: We are doing our bit, and I have reflected on that. I have really enjoyed it and have even got my voice through this.

Chair: I am conscious of the time. Luciana has a final question and then we must move to the next panel.

Q69 **Luciana Berger:** Mr Woods, I imagine that you, along with the other panel members, will be aware of the Channel 4 "Dispatches" programme that was on our screens just over three months ago. It was called "The Secret Plan to Save Fat Britain," and in it we saw the original draft obesity strategy. If you have not had a chance to see it, it is 27 minutes long and I thoroughly recommend it.

Jon Woods: I have not seen it.

Q70 **Luciana Berger:** We saw what the Government originally intended to present in their strategy. Many of the things in that draft did not, unfortunately, make it to the final strategy that we have before us today. In that draft plan was the following: "We must recognise that increasing the amount of exercise children undertake will not in itself solve



HOUSE OF COMMONS

childhood obesity. The number of calories we burn through physical activity is dwarfed by the amount we can easily consume through what we eat and drink.” Would you agree with that paragraph?

Jon Woods: That exercise on its own will fix obesity?

Q71 **Luciana Berger:** No—that what we may burn through physical activity is dwarfed by what we eat and drink.

Jon Woods: That is the layman’s version of why we are getting bigger: we are consuming more calories than we are burning. That seems pretty clear.

Q72 **Luciana Berger:** You are one company—there are many—that will do your bit in the field of tackling obesity. Perhaps you can share with us why you as a company spend so much of your income on promoting physical activity programmes. I was looking at your website; over £6 million is spent by different partnerships on physical activities.

Jon Woods: We spend some money on physical exercise. It is a balance. At Coke, we are working hard to try to reduce the average calorie and sugar content of our products. I have already given you some examples of that. I think other food and drink manufacturers are trying to do the same thing. The other side of the balance is to try to help people move a little. Look at us. Today, generally we have much more sedentary jobs, so it is good to move. We support some active programmes to help people move in local parks in big cities up and down the country. I do not think it is one or the other; it is both. We need to move more and burn more calories, and on average we need to reduce the number of calories we are consuming. I think that was in the report.

Chair: Thank you very much to our first panel.

Examination of witnesses

Witnesses: Nicola Blackwood, Duncan Selbie, Emma Reed, Dr Tedstone and Mike Cunningham.

Q73 **Chair:** Good afternoon and thank you very much for coming. We have an extra person on our panel. Emma Reed, thank you very much for joining us at short notice. Could each of you introduce yourself to those following from outside the room?

Dr Tedstone: I am Dr Alison Tedstone from Public Health England where I am the chief nutritionist.

Duncan Selbie: I am Duncan Selbie, chief executive of Public Health England.

Nicola Blackwood: I am Nicola Blackwood, the Minister for Public Health and Innovation.



HOUSE OF COMMONS

Emma Reed: I am Emma Reed, the deputy director responsible for delivering the childhood obesity plan at DH.

Mike Cunningham: I am Mike Cunningham, deputy director at the Treasury with a team responsible for the soft drinks industry levy.

Q74 **Dr Whitford:** Minister, could I open by asking whether you feel that this constitutes the brave and bold action we called for in our report last year? Obviously, there has been a lot of disappointment in the change from what appeared to be the Cameron version to what has become the final version. Do you think you can describe it as brave and bold?

Nicola Blackwood: I think we should be very proud of what we have done as a country. I apologise. I have a cold, so if I sniffle it is no reflection on my respect for the Committee. It is not a very good representation as a health Minister, but I apologise right now.

No country elsewhere has introduced a reformulation plan as we have; no other country has introduced a producer-led tax like we have. That is why Ireland and Portugal have copied us. No other country took the innovative step to link reformulation to a sugar drinks industry levy and physical activity and work in schools as we have. This is genuinely a world-leading programme, but we recognise that it has taken generations to build up the obesity challenge we face in England, in the United Kingdom. That is why we put in the plan that this is the beginning of a conversation; it is not the end of the steps we will take. We also put in the plan that, if we do not achieve the impact we want with the measures and steps, we will look to further levers.

Q75 **Dr Whitford:** Do you understand the disappointment that some of the suggestions that were ranked higher than the sugar levy in importance and effectiveness are not really mentioned in the plan? When you say, "If it is not effective," what is the evaluation? What measure will you be using?

Nicola Blackwood: I am sure we will discuss evidence later, but my understanding was that four key measures were prioritised by Public Health England for impacting obesity in young people in particular. One was reformulation; one was the sugar drinks industry levy; one was advertising; and one was promotions. Two out of four is not bad.

I take the Committee back to where we were at the time we published the obesity strategy. It was just 36 days after Prime Minister May had taken office and 55 days after we had voted for Brexit. It was quite an uncertain time. In the Department of Health, we faced a decision. We had had the obesity plan sitting on our books for quite a long time and did not want to lose industry buy-in to that plan. We also wanted to publish it before back to school. Across different Departments, there were a lot of plans and strategies that had been sitting in the pipeline during the purdah period for the EU referendum, so we had to fight to get it through quickly. As far as I am concerned, the most important thing was that we



HOUSE OF COMMONS

delivered what is a world-leading strategy. Six months down the line we have already seen progress. Talking and debating about what might have been in the plan will not prevent a single child from becoming obese, or reduce the obesity of a single child, whereas delivering this plan will reduce obesity among children and change the impact. We have been perfectly clear that this is not the end of the story.

Q76 Dr Whitford: Sure. But when the other one was also already sitting on a desk and merely needed a new foreword and a new name for Prime Minister, surely it would have been easier to release that one than having to change it and produce a new one.

Nicola Blackwood: We can debate for hours what would have been fantastic, but we have what we have. I am proud of what we have. I am focused on implementing it, because our modelling shows that it will reduce childhood obesity by up to 20%. I do not think that is to be sniffed at, and we have been absolutely clear that it is not the end of the story. I could point to some of the impacts that have already occurred.

Q77 Dr Whitford: We will go through other things in detail.

Nicola Blackwood: If you would allow me, we are already seeing an impact. Sainsbury's has ended multi-buy offers such as two-for-one and is committed to using its store layouts to promote healthier diets. We have seen a number of retailers such as Lidl, Aldi, Tesco, Morrisons and Boots agreeing to remove sweets from their checkouts. That is in the area of promotions.

We have seen some progress in advertising, which I am sure we will talk about later. In the area of reformulation, companies like Lucozade and Ribena have announced that they will reduce the sugar in their entire soft drinks portfolio by 50%. This is progress in just six months since we published the report. I am interested in seeing an outcome for children who are at risk of obesity, and all the consequences of that. That is what we are seeing with this plan.

Q78 Dr Whitford: Duncan, can I ask whether you will be pushing further with the Department of Health some of the aspects raised in the report by Public Health England, which was a major influence on our report? Obviously, the top two, advertising and promotions, did not make it in.

Duncan Selbie: We did not do a top eight, if you like, but we were always very clear that what was most important, if we did just one thing, was to reformulate food, because that was to take food at source; it just made it easier, particularly for parents. We were also very clear that, if we wanted to see a very significant reversion in the problem of obesity, we needed to take action across a whole range of things. We set out areas in which the evidence said that, if we did these things, we could expect to see the sort of change we were hoping for, certainly in the top four. I am completely with the Minister. We had a sugar levy; we had promotions. I listened to the end of the evidence you just heard about



marketing, advertising and food reformulation. As a public health agency, it does not get better.

I look at this all over the world. When a Government listens to you, you are glad, so we are very committed to the progress we have made in this plan on sugar reformulation. I could spend most of my time going around the world explaining what we are doing, because they are very interested, but what we really want is to be judged on what we do with what is in the plan.

We will continue to make the argument. The evidence remains as it was, but we have the plan we have; we took the deal we could get, and we are getting on with it. The most important line in that plan is that it is not the end of the argument. I could not be closer to the Minister, not just physically. Can we get on with this? There is very significant work. Dr Tedstone and I have met over 100 companies in the last six months. We have a lot of milestones. I heard one of your witnesses say we needed to be clear about what should be expected and by when. I think we have a good story to tell.

There was a whole lot of other things we wanted, but there are four rules in public health: you never quite get what you hope for; it always takes longer than you ever expected; it is harder to do than you ever imagined; and it only gets tougher. You take the deal you can get and you keep having the argument. I am not here to renegotiate the child obesity plan; right now I want to implement it.

Q79 Luciana Berger: Minister, perhaps you will not be on top of this because you were not the Minister previously, but over the past six years we have had the responsibility deal, which was essentially an opt-in; it was an unlevel playing field and it was piecemeal. You have just referred to two products that I do not drink, so whether or not Ribena or Lucozade change their formulations, it will have no impact on my diet. In terms of where we are now, to follow up Dr Whitford's questions, I hope you have seen the "Dispatches" programme on Channel 4—it is only 26 or 27 minutes long—which looks at what was in the draft strategy and what we have at the moment. Colleagues will reflect on the individual elements, but there are some tangible, significant measures that would have made such a difference and ensured that we did not go further backwards. You will know that the most recent figures show we are not going in the right direction; our children are getting bigger. On that basis, you have said we have what we have, and Duncan said, "We took the deal we could get." Why did you not fight harder to ensure we had all the things that were in it before, so that we had the best possible obesity strategy for the future of our country and could look after the next generation and ensure that our NHS is not being burdened by lifestyle-related disease?

Nicola Blackwood: The point is that this is the childhood obesity strategy; it is aimed at children, so the point about Lucozade and Ribena reformulating is that it is primarily children who drink them. It is



HOUSE OF COMMONS

important they are reformulating the content of those sugary drinks because it will make a real difference to children's intake of such drinks. It is not really here or there whether you drink those drinks; it is that children drink them.

Q80 Luciana Berger: But there will be some children who do not drink those products but others.

Nicola Blackwood: This is a big win and it is important that where companies do the right thing we celebrate it. I do not think we should belittle that; we should say, "Well done," where it makes a difference.

On the current figures, in terms of the fact that we are going in the wrong direction, the plan has been in place for only six months, so it would not have an impact on those figures yet. It is a generational impact, so we would not expect the figures to be going in the right direction yet. You are right that we have to make sure that the measures in this obesity strategy have the impact we said they will. We are measuring and monitoring them. That is why we have put in place a very significant monitoring system, which Emma and Alison might want to talk about, so that we can make sure we have the impact we have committed to, which is a reduction in obesity of up to 20% over the next decade. We will be reporting at 18 and 36 months, and monitoring very carefully to make sure that we achieve the outcomes we have committed to.

Q81 Luciana Berger: Do you accept, Minister, that in the original draft it said that the cornerstone of the plan was to cut childhood obesity by half within the next 10 years, and this reduced ambition of 20% is, frankly, less ambitious and very disappointing?

Nicola Blackwood: You can keep asking me the question for the entire session, but my answer will be the same. We have the document we have, and I am committed to delivering what I have, but also to hanging on to the commitment in that plan to go further. I can already demonstrate areas in which we are going further, because we have already had commitments from Sainsbury's and other companies on promotions, and we have seen movement on advertising. That is the commitment the Department has made, and we will drive this agenda forward.

Q82 Luciana Berger: Who was the deal with? Who essentially ruled out the other bits in the draft plan that did not make it to the final strategy?

Nicola Blackwood: This is the process you go through to get a strategy through. I cannot point to one single person, I am sorry.

Q83 Luciana Berger: Which Department was it, if it was not yours?

Nicola Blackwood: It was not an individual Department; it was a process it went through.

Q84 Luciana Berger: It was not the Department of Health, because you said, "We got what we got," and Duncan said it was not Public Health England



HOUSE OF COMMONS

because it got the deal that it got, which intimates that it was not the deal you wanted. Who ultimately made the decision?

Nicola Blackwood: I have given you my answer.

Q85 **Chair:** While I accept that you are focusing on implementation, the job of this Committee is scrutiny. As part of scrutiny, it is right for us to try to tease out at what point you would bring in the parts of the strategy that are missing. That is what the question is trying to achieve, because we have heard there are not sufficient milestones. How are we going to know where you have got to and where you wanted to be?

Nicola Blackwood: On sufficient milestones, this would be a good point for us to talk about some of the implementation plans. Would that be helpful at this stage?

Chair: We are going to talk about implementation right at the end, but I want to make the point that, while we accept we have the deal we have and you are focusing on implementation—we would all agree that implementation is important—the job of this Committee is to scrutinise what is missing as well.

Q86 **Maggie Throup:** This is a question for Duncan and Alison. The Minister has already indicated that promotions are being tackled, but I want to understand how strong the evidence is for taking further action to curb promotions and the positioning of confectionery and less healthy products. My pet hate is buying a newspaper and getting a chocolate bar offered at the same time. The latest one is getting a voucher for a well-known burger outlet with your newspaper. What is the evidence?

Duncan Selbie: I would hate to be the retailer who did that to you. Our evidence review is very clear about promotions and what they lead to in terms of consumption or what people are buying. We talked about the British liking a bargain. We compared it with the data that exist in Europe. We do not have data for America or Asia. In Britain, people are buying roughly twice as much on promotion as the next European country. Since we did our evidence review, that has come down a bit—to about 37%—so we are seeing a drop. The Minister talked about Sainsbury's and others. We can go into some depth on that.

The evidence is far less strong about where products are located and positioned within a store. There is some evidence about end of aisle, and Dr Tedstone can talk to that. If you recall, we were very concerned about checkouts. We talked at the time about Tesco. Lidl, Boots and others have taken some action, but a lot of other companies have begun to sell sweets and other sorts of things in health shops, clothing stores and things like that. We were quite concerned about that. The evidence remains that promotion is a significant issue, not only because people are buying and consuming more and there will be more waste, but it is costing them more. There is no change in our evidence on that. Have I missed anything?



HOUSE OF COMMONS

Dr Tedstone: No. That is correct.

Duncan Selbie: Dr Tedstone is always grateful when I speak accurately to the evidence.

Q87 **Chair:** We have heard the evidence. What we want to focus on now is what you are going to do about it.

Duncan Selbie: I am hugely with the Minister. The argument was had. I have been before you and said that we can present evidence, but Parliament and the Government are there to make decisions. Being right is not sufficient; it is about what you decide to do. We will continue to present the evidence, but concurrently we will get on with implementing what we think is a good plan—we really do. Industry is moving at some pace; it is not just Sainsbury's. The public are pretty fed up with multi-price promotion deals—three for two and buy one, get one free—and we are seeing change happen.

Q88 **Maggie Throup:** Is that because they find they are wasting it or because they realise it is leading to obesity? Do you have any evidence?

Duncan Selbie: It is because it is just confusing. Sainsbury's said, if you have taken evidence from Sainsbury's, that the public find it confusing. They quite like what Lidl and Aldi do, which is to compete on single price, and that is changing the market. I remember very well believing at the time—I still do—that the market was moving in the right direction. We would like it to move a lot faster, but the public are leading a lot on promotion because they are fed up with it.

Dr Tedstone: We will absolutely continue to monitor the evidence base, and that is one of the reasons we have looked at what is going on in promotions currently in the market. As Duncan says, it has come down slightly to 37%, but it is still much higher than any other country in Europe.

There is also a bit of it that links to the reformulation agenda. No doubt you are going to ask me about monitoring that. We will be monitoring the sales-weighted average of sugar levels in categories. That means that, if there is over-promotion of high-sugar products, we will pick it up through the monitoring programme we are setting up for the reformulation agenda.

Q89 **Maggie Throup:** If I have got it right, you are saying that supermarkets are not changing their practices and customers are not changing their habits because of obesity, but because customers want value for money.

Dr Tedstone: Some of this is just what we are hearing back from retailers. They say that customers do not necessarily want three bags of potatoes; they want one cheaper bag of potatoes, and that makes more sense to them as customers. That is what the industry is picking up from its customers, and I can see the sense in that. From the point of view of our evidence base, I would predict, but we do not know, that that would



HOUSE OF COMMONS

not lead to an expansion in the amount of food we buy in the same way as buying two for the price of one or whatever would, because it is less likely to lead you to buy more, but in saying that I am going further than the evidence.

Duncan Selbie: We will be tracking it, because we will have baseline data, which we have never had before. We will be publishing an update every six months, and, as we said, we will be doing that at depth at 18 months and 36 months. Another bit of data, which I know we have shared with you, is tracking all the time where consumers are. Over 90% of consumers say they want to see reduced sugar; they want to buy food with less sugar in it. The No. 1 concern in a basket of concerns that shoppers have is about sugar in food. It really is moving with the times, and we keep at it.

Q90 **Maggie Throup:** Minister, we do not want to go over old ground, but you and I have had conversations and we know that the challenge ahead of us in this environment is ginormous. Do you think that consumers who just want transparency on price and best value for money will be enough to change the practice of retailers who make silly offers, or tempt people by putting goods in different places so they are attracted to them, or produce huge bottles of things?

Nicola Blackwood: That is going to be a significant driver. That is what we are hearing in discussions with industry, and that is why they are already starting to make changes in response to consumer demand. There has been a bit of a change of culture and a recognition of that by industry. That is what we are experiencing in discussions, but that is not what is happening here, because there are two different drivers within the obesity strategy that affect promotions. One of them is that the sugar reduction programme will encourage manufacturers to shift their portfolios to healthier products, which affects promotions—the two-for-one offers and so on. The second is that, when the data on promotions are transparent, consumers, politicians and all of us will have the ability to see what is going on in a way we were not able to do before. There will be two opportunities for us to hold industry to account in a way we were not able to do before.

Q91 **Maggie Throup:** It sounds as if there is a lot of work going on behind the scenes to make things happen, and we do not always see a plan on paper. You touched on some of the things you are doing. What else are you doing to stop promotions and product placements that are detrimental to the health of our children?

Nicola Blackwood: At the moment, we are focusing on what we have in the plan. I do not want to mislead the Committee. It is a large-scale plan and it is a challenge to deliver reformulation and the sugar drinks industry levy, and to deliver 60 minutes of physical activity to every child in England over the period of the plan. We are ambitious; we want to go beyond the plan, but I have to be honest: if I do not deliver on what is in that plan, I might as well go home. There is no point in my sitting here as



HOUSE OF COMMONS

the Minister. I am going to be held to account for that. I want to make sure that I am confident about getting that bit done first. We are working on that bit first, but we are having discussions about the other bits as well.

Q92 **Maggie Throup:** You are obviously having conversations with some of the major retailers. Are you going to go further and more into your fold to see the light?

Nicola Blackwood: I think I have answered your questions.

Q93 **Heidi Alexander:** Duncan, you referred to the data collection you would be doing to understand better the effect of food purchased as a result of different price promotions. Which retailers participate in that?

Duncan Selbie: This will be all—this is what we will be publishing—

Q94 **Heidi Alexander:** Did you say all? Does it include garages, for example?

Duncan Selbie: What we said we would do—what was in the strategy word for word was what came into the plan about food reformulation. It was word for word exactly as Public Health England asked for. We said that we would set baseline data for nine categories of food children eat, which is almost all food. The baseline data would be for retailers, manufacturers and out of home, which is about 20% of all food consumed. We would set baselines for each of those sectors and set targets for each of the four years to 2020 in the nine food categories. I am sure we will talk to you about out of home and what we can do with it, because it is more obvious with the data.

Q95 **Heidi Alexander:** There might be a slight misunderstanding. My challenge to you is that it feels ubiquitous. Wherever you go to purchase any type of product, be it in a supermarket or at a garage when purchasing petrol, you are surrounded by offers on confectionery and sweet goods. When people say it is all moving in the right direction, it does not feel like that to me. I want to understand how you are going to assess progress across the board, not just in the big name supermarkets we may or may not have mentioned today.

Dr Tedstone: PHE is purchasing data from two large consumer panels, one of which focuses mainly on retail and one of which focuses on the out-of-home sector, which includes impulse purchases at places like garages. We will look at what is going on there. The baseline for that is 2015. That was set out in the childhood obesity plan. Every year, we will publish updates on what is going on across food categories for all those outlets. It is quite hard to get to the granularity of a garage, but we are going absolutely as far as we can with all the data we can muster, which include more than ever before food from on-the-go impulse—restaurants, cafes and all that. I am confident that we will be able to see overall change. PHE's job is to report to Government openly and transparently if progress is not being made. I feel confident that we will be able to do that robustly from the data we have.



I caught the tail end of the evidence given by the previous panel. One of the things people were talking about was that we would be able to know what is and is not going well. That is very important. One of the criticisms of the responsibility deal was that it was always a coalition of the willing. Those who were doing good things would report they were doing good things. This is not that world; this is a managed structured programme, so PHE will very clearly know what is and is not working well and will publicly say that.

Duncan Selbie: That is what I meant to say.

Nicola Blackwood: The point you have raised demonstrates the scale of the challenge we face, and it is one of the reasons why focusing on the producer-led measures of the soft drinks industry levy and the reformulation programme is an important place to start. Those are two areas where we can manage the impact very effectively, and we know that we will be able effectively to reduce the intake of soft drinks and sugar by children in the UK, which is among the highest anywhere in Europe. We can also reduce the intake of sugar in key foods for our children. That is an area where we know we can have an impact, as well as in sport in schools. We have developed in the UK an addiction to sugar and that is a place to start.

When we start looking at the ubiquitous areas, it is more challenging, so that is the next step. When I look at this as a Minister, there is no way I will achieve it as a Government top-down strategy imposed on everyone. The only way we will achieve it is through partnership working, with Government, industry, schools and the Health Select Committee trying to deliver it. It is genuinely a generational change that we are after. I hope this is the beginning of a revolutionary change, but we are trying to have a large-scale impact.

Q96 **Dr Whitford:** The most impactful day in our inquiry previously was when we were shown mock-up bottles by Jamie Oliver with a teaspoon symbol. Even as a mother who does not that often shove 500 ml of something into a lunch box, picking up something that says it has 14 teaspoons of sugar in it has a visceral impact on whoever is doing the shopping. It gets a mention, but not very much, in the new strategy, so are the Government planning to do anything regarding labelling, particularly sugar labelling in foods?

Nicola Blackwood: This is a bit of an area of frustration for me. Our traffic light system is already world leading, and at the moment we are facing European Commission infraction proceedings on it, so we are not able to go forward on labelling in the way I might perhaps personally like to do, because of European regulations.

Q97 **Dr Whitford:** How did that suddenly come up when we have had traffic light labelling for years and years? Has it suddenly reached a certain quantity or has a company taken us to the European Court? We have had traffic lights for two decades.



HOUSE OF COMMONS

Nicola Blackwood: Emma might like to give you the detail. I am just dealing with the consequences at the moment.

Emma Reed: The front-of-pack traffic light scheme, which you will be aware of, is very popular in the UK and with industry; indeed, it is being used as an example of good practice across a number of member states in the EU. I understand there has been a challenge to the European Commission from Italy, which says it is a barrier to free trade. We are responding to that appropriately and looking at how we can better advise the Commission and producers what the front-of-pack scheme is intended to achieve. The right thing for us to do is to defend robustly what we know is a very popular scheme; indeed, it has led to quite a lot of reformulation by industry and retailers. We are responding to that in our current status in the EU. As I am sure the Minister will go on to say, being outside the EU provides us with alternative options going forward.

Q98 **Dr Whitford:** It is not an actual EU ruling against the traffic lights; an individual country or company is challenging it.

Nicola Blackwood: We do not know yet.

Q99 **Dr Whitford:** But it is not that this came from the EU, which is sometimes the impression given.

Emma Reed: No. The EU is considering the challenge to the practice.

Q100 **Dr Whitford:** The challenge has come from a single member state. This has been growing. I cannot remember when we did not have traffic lights. It started quite small and became more common.

Emma Reed: This scheme has been picked up by France and other countries that see the real benefit of very simple information for consumers on what is good and where they might want to moderate consumption.

Nicola Blackwood: Having said that, it has had a chilling effect. At the moment, we are awaiting the outcome of the case before we are comfortable in going further. In the interim, while we are waiting to see what happens in that case, we have introduced the Be Food Smart app. Has the Committee seen that?

Q101 **Dr Whitford:** I have seen the advert on the telly. I have not seen the app.

Nicola Blackwood: It is effective and does exactly what the Committee is calling for in demonstrating the number of sugar cubes in a product. I have the app here. I know we are not normally allowed props in the House.

Chair: We are aware of the app. Thank you.

Nicola Blackwood: It is really effective; you can scan the barcode of an individual item.



HOUSE OF COMMONS

Q102 **Chair:** The trouble is that we are trying to target particularly health inequality. People who are already good at health-seeking behaviours are much more likely to use that, so the trouble is that one could inadvertently end up widening health inequality. I absolutely support the app, but there we are.

Nicola Blackwood: The Change4Life programme is targeted through social media at those who are least likely to use health-seeking behaviour, so that is the purpose of it.

Q103 **Chair:** Do you have evidence that the way you are targeting it means that it is being used by those who would not normally use it?

Nicola Blackwood: We do. Duncan might like to talk about that. We can send it to you.

Chair: That would be helpful evidence.

Dr Tedstone: We are quite proud that the Change4Life programme is picked up equally by lower socioeconomic groups as well as higher ones. We target C to E families, the lower socioeconomic groups, and pick-up is even. Most campaigns cannot say that. Most campaigns can say they are picked up by the most affluent in society, so we have good pick-up of the app.

I have been around for ever. I was at the Food Standards Agency when the front-of-pack traffic lights were developed. Consumer testing of that was very good. Of course, there are alternatives such as teaspoons, but PHE is very mindful that we will be developing calorie reduction plans similar to the sugar reduction plan, and the thing about teaspoons is that they do not pick up very fatty foods.

Q104 **Dr Whitford:** I do not think there was any suggestion it should replace the traffic lights; it is focusing on only one thing, but, as a mother, I have to say that session was shock and awe. It is all very well getting out the app, but literally taking a bottle of something that you might give to one child that says it has 13 or 14 teaspoons and picturing doing that to a mug of tea is quite different from traffic lights referring to per 100 grams or anything else. It is in addition. I assume that the UK will still want to sell food to Europe, so coming out of Europe will not change how we can label or package things.

Nicola Blackwood: This is an area where we are seeking a resolution, but we do not have it right now. I am happy to report back to the Committee as soon as we have any news to report, but we do not have it at the moment. We are giving you the most up-to-date information.

Emma Reed: As the Minister says, it is very early days in thinking about what the food regulatory environment will look like. As it stands currently, we are not able to put a single nutrient on the front of a pack. That is banned by the existing regulatory framework. The opportunity to explore options around sugar cubes and sugar spoons, which we may



HOUSE OF COMMONS

well look at in the future, must be a partnership with industry. We need to look at that when we have a degree of certainty about what food regulations will exist in the UK post-Brexit.

Q105 **Dr Whitford:** You do not think that will relate to what they are within Europe.

Emma Reed: We need to look at examples of good practice across Europe as much as we need to explore what consumers in the UK will find most helpful to inform better food choices. As we currently operate within the EU regulatory framework, we must be bound by that, which precludes us from putting sugar cubes and sugar spoons on the front of packs at this time, but, as the Minister said, we need to look at what the future landscape will look like and take measures at that point.

Q106 **Dr Whitford:** Therefore, the EU specifically prohibits it, even though we were able to grow the traffic lights, which started off in a voluntary way.

Emma Reed: The current traffic light scheme enables us to put on either total calories or all nutrients. If you look at the front-of-pack scheme, you will see either several different nutrients or just total calories. If, as you suggest, we were to include a focus on sugar, that is a single nutrient, and we are not in a position to be able to put single nutrients without putting all nutrients on it.

Q107 **Dr Whitford:** If you still have what you have, are you allowed to add a little teaspoon symbol?

Emma Reed: No; as we understand it, not as it currently stands. Given there are infraction proceedings currently, we need to work through that and then look at the landscape in a post-Brexit environment to see how we might take that forward.

Q108 **Chair:** We will be watching this space.

Duncan Selbie: We really liked what Jamie Oliver did. As to how that app is being used, the numbers are extraordinary. In just four weeks there have been 1.8 million scans. Young people are using it. It is not a substitute for wider labelling, but it is good.

Chair: That is very encouraging.

Q109 **Heidi Alexander:** Dr Tedstone, I believe that in October 2015 PHE did a report on sugar reduction. In it, you made a number of recommendations with regard to restricting advertising of unhealthy foods to children. Can you set out how strong the evidence base is for the link between advertising and obesity?

Dr Tedstone: The evidence base is absolutely consistent. Studies show that, no matter what form of advertising it is, advertising increases food preference for said advertised food. Where the evidence is available, it changes the balance of diet. Because we have predominantly unhealthy



HOUSE OF COMMONS

food advertising, that is changing the balance of diet towards unhealthy foods.

You will hear industry say it is only a small effect, but because obesity results from only a small number of excess calories that is an important driver. The evidence is remarkably consistent. The quality controls PHE put in meant we took out an awful lot of low-quality evidence. It consistently showed an effect on the balance of children's diets. Predominantly, children have been researched.

Q110 Heidi Alexander: As to the measures you would like to see to control that, remind me of the broad recommendations.

Dr Tedstone: We wanted to see some of what we have actually begun to see. We were delighted that BCAP announced that the controls that currently exist on TV would be on non-broadcast media. That is certainly a step forward. PHE also asked for more controls on broadcast media because that is still where the majority of ads are.

Q111 Heidi Alexander: Am I right in understanding that the recommendations related to programmes that might not be children's programmes per se but were watched by a mixed audience of adults and children, and you would have liked to have seen advertising restricted in those programmes as well?

Dr Tedstone: We suggested that the numbers of children seeing television programmes should be considered, not only the proportion of children seeing television programmes.

Q112 Heidi Alexander: Minister, why was advertising not mentioned in the Government's action plan?

Nicola Blackwood: I think I have been clear about why we included the measures we did in the action plan strategy. Advertising is clearly an important area when it comes to obesity, and I have been clear about that since I became Minister. We started this process with some of the toughest advertising regulations in the world, but I do not think it was good enough because it affected only broadcast when we started. It is encouraging that the Committee on Advertising Practice has taken steps recently to toughen that up. Anyone who has children at home will know that mostly they spend more time online now than they do watching TV, so having just broadcast rules would not cut it. I think that the new rules coming in from July are important.

One of my concerns about the new rules is how we will monitor them for effectiveness. Before we go any further with new rules for different areas, or in terms of non-broadcast rules, we need to work out how we can monitor those effectively. We are talking to the advertising industry about the new rules and about the basis for the new rules, which is the nutrient profile model. We are reviewing that model at the moment to bring it into line with the latest evidence. That is also important because we need to make sure the right foods fall into the advertising restrictions. Quite a lot



HOUSE OF COMMONS

of work is going on in this area at the moment. We are making progress; it is probably not as quick as you would like, but we are trying to drive forward this agenda, even though it is not, strictly speaking, within the strategy.

Q113 Heidi Alexander: Are you still concerned about some of the advertising shown in breaks during popular Saturday night programmes that are viewed by probably millions of children? Obviously, there are no restrictions around advertising pizza, fizzy drinks or whatever. Personally, would you like to see further action in that regard?

Nicola Blackwood: I think this goes back to your earlier question. There are so many areas where we could be taking action. When it comes to advertising, my top priority is online. Young people are spending so much time online that taking action on it was one of the recommendations.

Q114 Heidi Alexander: Is it easier to take action on that because you do not have any pushback from the broadcasters?

Nicola Blackwood: Not particularly.

Q115 Heidi Alexander: Broadcasters are clearly concerned about loss of revenue.

Nicola Blackwood: Online was as well, so not particularly. It is quite challenging to monitor it. This is a new area where we are having to take action. This is a big step forward and we should give credit where it is due to the advertising industry for taking quite a big step.

Q116 Heidi Alexander: You spoke about the nutrient profiling model to make sure the right foods are captured. Will this deal with the problem of cereals with 20% sugar not being captured by the restrictions?

Nicola Blackwood: Alison knows all about the nutrient profile model, so I will hand over to her.

Dr Tedstone: The nutrient profile model is being reviewed because of the new public health advice on sugar and fibre. Those are the two main drivers. The work is well under way. Our expert committee has agreed not to do a root and branch review of the model—so it will stay broadly the same—but to look at sugar and fibre. We can safely say that it will get tougher for fibre as for sugar because that is what the new public health recommendations are. I cannot say at this moment what foods will pass and fail, but we know that a food will need to have a lower sugar content to pass once the new profile is established, because that is a primary driver for changing it.

Q117 Heidi Alexander: When will the review be completed?

Dr Tedstone: It goes out to public consultation at the beginning of 2018.

Q118 Chair: Can I come now to the soft drinks industry levy? Mr Cunningham, can you comment on why there was a decision to go for a tiered levy rather than the IFS's suggestion of one where there is an additional levy



HOUSE OF COMMONS

per 100 millilitres? Can you talk us through that?

Mike Cunningham: The decision on tiering was part of the approach to reformulation. We wanted to design a relatively clear, simple and transparent producer-led reformulation and give the industry time to reformulate because, as the Minister said at the time, it was a levy it would have been happy not to collect. Therefore, that was to give a strong signal that reformulation was key, but part of giving industry the chance gradually to reformulate was having the two levels, if you like, so you give the industry some options about how it approaches the reformulation challenge.

Q119 **Chair:** But did you also consider the IFS suggestion? The IFS felt it would have driven a greater level of reformulation and created an incentive for further reductions.

Mike Cunningham: We looked at a lot of evidence across the piece. We looked at other countries' experiences here and spent quite a bit of time thinking about how we might design the levy. In the end, we had to make some choices about that. It was obviously driven by some key facts, most of which have already been mentioned: the fact that teenagers get so much of their sugar from drinks; the fact that a can of fizzy drink takes you over your daily recommended sugar intake; and the fact that the Chief Medical Officer and Public Health England told us that reformulation was the key to obesity. Those were the things we took into account.

Our objectives were very clear. We wanted a producer-led approach to reformulation and gave them three ways to do it: to reduce the sugar content of their drinks; to reduce portion size of high sugary drinks; or help consumers switch to lower-sugar alternatives. If you like, you have a range of things that producers can do to try to meet the reformulation challenge rather than a single approach to it.

Q120 **Chair:** One point that emerged very powerfully from the previous panel and we have heard in evidence is the concern that price differentials might not be passed on at the point of sale and it will have a much greater impact if that happened. Is there anything the Treasury can do? Minister, perhaps you can comment on what the Government might do to encourage that price differential to be passed on at the point of sale so there is an incentive for people to choose a lower-sugar product.

Mike Cunningham: In general terms, the key here, certainly from the tax perspective, is not for us to be worrying so much about the price but the actual product reformulation. That was very much the intention here. Our focus was all on getting producers to do things differently, and therefore the levy is designed to do that.

Q121 **Chair:** We have heard clear evidence that you can have an even greater halo effect if that is transparent at the point of sale.



Mike Cunningham: As to different products being transparent, the Treasury does not dictate to producers what price they should be charging. When the OBR looked at this, it recognised that it would have an impact on prices and those would feed through to consumers, but in a sense it is now for producers themselves to work out the effect. They have to take into account a number of things, some of which are to do with product reformulation, the kinds of products they are selling and the overall market and how that works.

Q122 **Chair:** The Treasury is not going to take any action other than comment that it would have a better effect if the price differential was at the point of sale.

Mike Cunningham: To be clear, in doing its modelling the OBR has anticipated that there will be an effect at the point of sale and that will have an impact. Because not all producers will reformulate there will be a revenue impact, and the OBR in doing its modelling has assumed there will be a price differential.

Q123 **Chair:** Perhaps the Minister or Emma Reed would like to comment on how you get the most out of this measure with the strategy.

Nicola Blackwood: Both the soft drinks industry levy and the reformulation programme are designed primarily to be producer-led measures so that the sugar is taken out at the point of supply. I understand the point you are making; I do not miss it. It would be enhanced if there was also a price differential, but the policies have been designed specifically to impact at point of supply rather than point of price. We are seeing consumers experiencing quite challenging circumstances in terms of the price they are paying for groceries.

Q124 **Chair:** The concern is that if it is an umbrella tax—in other words, if it is spread over the entire range—there is an impact on price, but it is not delivering the effect you desire at point of sale.

Nicola Blackwood: I do not think that is the analysis that has been made.

Mike Cunningham: The important thing for me with the tax is the impact it has on the amount of sugar in drinks. That has to be the key, so it has been designed in a way that producers will reformulate.

Q125 **Chair:** We understand that it is driven primarily around reformulation. However, the other concern we have heard is that there can be an umbrella effect whereby that price increase is passed on throughout the entire product range, whereas we know it would be more effective if there is a differential. The point the Minister is making, if I have understood it correctly, is that you do not want to hit just managing families but you may still be doing that if it is passed on as an umbrella increase. What are you going to do, Minister, to get the most out of this measure by ensuring there is a price differential at the point at which people are making a decision?



HOUSE OF COMMONS

Nicola Blackwood: We do not know what the amounts will be because the Chancellor is yet to announce that. I cannot pre-empt that. That is not going to be my decision; it will be a Treasury decision, but there is a reason we have introduced these as producer-led measures. We have looked at other countries that have introduced consumer-led measures, like France and Mexico, and they have not been as successful as the analysis shows these measures will be. We have introduced them because analysis shows that combining reformulation and the soft drinks industry levy to take sugar out at source will be more effective in reducing sugar intake.

Q126 **Chair:** We understand that reformulation is the prime driver for this, but we also heard from Alison when she came before us before that the emerging evidence from Mexico was that the price differential had been effective in the highest consumers. Forgive me if it was not you who told us that.

Dr Tedstone: It was me. The University of Oxford looked at this recently and thought about whether there would be added benefit in the levy being passed on to consumers. It thought that the reformulation benefit was bigger. When companies choose to take huge amounts of sugar out of their products—I do not think Lucozade and Ribena will have any products that are subject to the levy—clearly there is a win-win for everybody, because if a company is not subject to the levy there is nothing to be passed on and consumers will not be bearing the cost.

Emma Reed: One real asset and benefit of both the sugar levy and the PHE-led reformulation work is that we know anecdotally that when retailers are looking at shifting their portfolio—where they might promote different products in a different way—they might promote their full sugar products. Clearly it is early days yet and we will need to see how retailers respond to that. The other benefit I want to mention about the sugar levy is the way it has shifted the paradigm and the conversation about sugar. I am absolutely certain that the work that PHE is leading on reformulation has started in a different place as a result of the sugar levy, and that is certainly the case when it comes to thinking about the broad implementation of the childhood obesity plan—its reach. Shifting the conversation and ensuring that consumers know more about the issue of sugar has been quite seismic.

Q127 **Chair:** A group of products were, surprisingly, left out: the milky-based sugary drinks, particularly in settings such as coffee shops, for example. The very high sugar, smoothie-type drinks were completely missing. Is that something that the Treasury is planning to review?

Mike Cunningham: Not at the moment. We designed it to be clear, simple and transparent. We had to make choices about what products would be in, so we targeted fizzy drinks. Fruit juices, for instance, are not in, because of the benefits of fruit juice.

Q128 **Chair:** I do not think there was any controversy around that; it was just



the very high sugar-added, milky-based smoothies.

Mike Cunningham: There is a whole difficulty with looking at milk drinks, not least because there are good milk drinks, and obviously the kind that you are talking about with the high sugar content. It is a different challenge to tackle that kind of product.

Q129 **Chair:** I am not quite sure why, given that they have sugar added, so you are actually looking at the amount of sugar added, not the intrinsic content.

Mike Cunningham: Again, it is because we have gone for a producer-led reformulation, so we have to look at the place producers bring together the products, if you like. In the first instance, we have gone for soft drinks—sugary drinks—because they are very easy to target; it is very easy to do that. With milk, it is much harder. The narrative on milk is a different one in any case, in the sense that milk is one of the things that we also promote as a good thing for children to have.

Q130 **Chair:** But good when it has not had 13 teaspoons of sugar added to it is the point that people might make there.

Mike Cunningham: In essence, I come back to the point that we have had to start at a particular place, so we have chosen to keep it as a relatively simple start and to drive reformulation that way. That is what is happening.

Q131 **Chair:** The purpose is simplicity, primarily.

Mike Cunningham: Partly it is being simple and transparent. It is in part because these are products where the evidence was that they were particularly harmful, so that is why they were targeted. They were clearly products where all the evidence across the piece shows that they give too much sugar beyond the daily intake. That is why we targeted soft drinks. I also deal with other taxes like VAT, for instance, and there will always be borderline issues, which are very complex. Once we get into borderlines, we have a great deal of difficulty drawing those borderlines together. When introducing a new tax, it seems to me that you need to start with a relatively straightforward approach, which is what this does. It does not mean that at some point we could not come back to it and look at it.

Q132 **Chair:** That was my next question, so you have dealt with that.

Mike Cunningham: At this time, that is not something the Treasury is looking at. For me and my team, which will include HMRC, who will be part of the implementation, the key will be 1 April 2018, launching it and then watching how the tax progresses.

Q133 **Chair:** Minister, I can see you want to add something.

Nicola Blackwood: I wanted to point out that sugary drinks, including milk-based drinks and others, will be captured in the reformulation programme, so they are not being left out of the work that we are doing,



HOUSE OF COMMONS

which I think is quite important when we are thinking about the role that the sugar drinks industry levy plays and the role that the reformulation programme plays in addressing the sugary substances that children will be exposed to going forward. We chose to approach things in two different ways—that is all. They are doing it; they are in charge.

Q134 Chair: You are both looking at that. Thank you very much. The final point from me was about the use of the revenue from the levy and how it will be specially targeted to help those at the highest risk, the heaviest consumers and the most disadvantaged groups. Is that something you wish to make a comment on today, Minister or Mr Cunningham?

Mike Cunningham: It is worth making the point that this is a very unusual tax, certainly from the Treasury's perspective, because we have introduced a new tax and we have soft-hypothecated the revenue. This is not something we normally do with taxation. In general, taxation goes to a consolidated fund and then is spread across different areas as needs be. Here a clear commitment was made by the Government to introduce the soft drinks industry levy and at the same time conclude how much money from that levy should be passed—softly. Soft hypothecation is not the exact amount; it is not the amount the levy will actually bring in. It is an assumption about what the levy will bring in and then that has been passed over to be spent on specific things—in this case, activities in education and schools. Thereafter, of course, a lot of the decisions about how exactly the money is to be spent are down to the Government Departments responsible for that.

Q135 Chair: Can I ask a quick technical question on that point? How much of it was going to be hypothecated to the academisation programme, or was there never going to be any hypothecated to the academisation programme?

Mike Cunningham: I am not aware of an amount. It is not something I am particularly au fait with.

Q136 Chair: You are not sure about the aspects of where it is all hypothecated.

Mike Cunningham: No, not in some respects. I know that, at the time we were discussing it and bringing it together, we allocated funds, if you like, to be used in education and sports, and so on, but I do not know the specifics.

Q137 Chair: Are you able to send us an updated note of exactly where the money will be hypothecated?

Mike Cunningham: Some of this is not the Treasury. A lot of it is down to—

Nicola Blackwood: I can give you a few more details now. The Government have committed at this point to doubling the primary PE and sport premium to £320 million from September 2017 and to investing £40 million through Sport England in projects that offer new opportunities



HOUSE OF COMMONS

for families and children to get active and play sport together. This is part of the commitment to 60 minutes of sport for every child. We have also committed to funding, as part of our evidence and implementation work, £5 million for a new obesity policy research unit, which is significant because it will mean that the project is properly implemented and properly evidence based, not just now but going forward for the long term. There is also £10 million a year for the expansion of healthy breakfast clubs, which have been proven to improve the quality of education, in up to 1,600 schools from the start of September 2017. I have a few other figures, but perhaps I should write to you because otherwise I might just be reading a list of figures.

Chair: Thank you. It would be very helpful to have the updated estimates of where the money will be going. Thank you very much. That is enough from me.

Q138 **Dr Whitford:** For clarification, I assume a share of that will go to the devolved Administrations. You mentioned Sport England.

Nicola Blackwood: Emma is nodding vigorously. I think I should let her speak.

Emma Reed: The distribution of funding will be distributed to the devolved Administrations in line with the existing processes for distribution—the Barnett formula.

Q139 **Heidi Alexander:** Can I ask a quick follow-up? You said it was a soft hypothecation, and clearly some of the allocation is being spent in the school year that starts even before the levy comes into effect. If the levy raises significantly more money than you have calculated in your assumptions, are you going to increase the amount of money that goes into school sports, and when would you take that decision?

Mike Cunningham: We have not worked that out. The Office for Budget Responsibility has done those calculations at the present time. Obviously, when it comes to the Budget this year, the position will be clearer—when the Chancellor announces the actual rates, and so on. The whole point about soft hypothecation is to commit an amount to spending, whether or not you actually bring that in. We are not anticipating at the moment bringing in more, because there has already been quite a lot of reformulation, so that is perhaps being more effective than even the OBR had originally anticipated. It would not surprise me if the OBR had to do some slight remodelling. The important thing is that it does not affect the committed expenditure.

Nicola Blackwood: The OBR's forecast was £540 million in 2018-19, falling to £500 million in 2019-20 and £455 million in 2020-21.

Q140 **Andrew Selous:** Duncan, I think you were with us throughout the last session—I remember seeing you in the second row. While I think congratulations are in order on the soft drinks levy, you will have heard Professor Dobson being very down on your prospects for making progress



HOUSE OF COMMONS

at taking 20% of sugar out in the nine other areas. He does not think your proposals have enough oomph to bring about results. What do you say to that?

Duncan Selbie: I only came in towards the end, but I really listened to him and asked him if we might speak later, because he was pretty down about it and I do not feel that way. We have committed to 20% over what will actually be four years—20% over four years, 5% in the first year. We can set out right now what we expect to do and by when. I think he was also saying that we did not have milestones and we do, so we will be able to say whether that is happening or not. Can I call on Dr Tedstone so that I do not make the same error as I did the first time? Then I will agree with her about what the dates are. They will be very transparent and we will be able to say whether it is happening or not.

Q141 **Andrew Selous:** Forgive me, but you have evidence already of great success with what you have done on soft drinks. You have taken something out of the policy box that I think is world leading and is already having a fantastic, positive policy result with the reformulations that we talked about earlier. Given that you know that works and given that you know there is a crisis and we need to start motoring, why not use the evidence of the policy you know is working in one area on those other nine areas? It seems very curious, to say the least, that you are not.

Duncan Selbie: Let us talk about what we are going to do and then see if you still feel the same way once we have set it out.

Dr Tedstone: Can I pick that point up directly? What Treasury colleagues have already said is that some of the success of the sugar levy has been the clear ability to very clearly and accurately define a food category. My team have been providing technical input into this, and I know that it is not entirely smooth to define even a single food category. You would think that a sugary drink would be relatively easy to define, but there are difficulties around it.

At the Food Standards Agency, where the nutritionist team was at the time, we led the salt reduction work. The most recent reiteration of that involves 70 food categories. It is PHE's judgment, which is essentially the old FSA judgment, that to define those 70 categories will take a great deal of time, and we honestly felt that the reformulation programme, in a managed way under a voluntary approach, could deliver more, faster. We have now had, as Duncan said, over 100 meetings with companies and we are hearing a lot behind the scenes, and have indeed had some announcements. We have seen a big reduction from a leading sugary breakfast cereal that I have been delighted and surprised to hear, and we have seen children's yoghurts and other things have major reformulation. We also know from behind the scenes that there is an awful lot coming. We feel confident that there will be big changes. PHE is there to encourage the stakeholders to do more, but, very importantly, our primary job is to manage data, make data publicly available and advise



HOUSE OF COMMONS

Government if the programme is not working. We will have the first idea about whether it is or is not working by March 2018.

Q142 **Andrew Selous:** Forgive me; you are going to measure every six months. You are going to publish some data.

Duncan Selbie: No. We are going to report every six months.

Dr Tedstone: We are going to report every six months, but the data we need to see if reformulation is working—

Q143 **Andrew Selous:** In September 2018; is that right?

Dr Tedstone: The first data will be published in March 2018. That, essentially, will be reporting on the first year's progress of the programme. The plan came out in August 2016. We will measure progress up until September 2018, and then publish that progress in March. It is going to take us about six months to work out all the data and bring it all together. Then we will publish another deep-dive assessment at 36 months, which will be very similar. That is the stage at which we really hope to see big changes.

One thing that is totally different for this reformulation agenda from anything we ever had with salt is that the levy has totally changed the conversations. I was in a lot of meetings on the salt work, and there was always this narrative going on: "Well, what are you going to do to us if we don't do it?" We would always mumble something, because actually nobody had ever done anything internationally. Now we do not have to mumble anything, because the narrative has completely changed. Of the 100 companies we have met, two asked us what we were going to do.

Duncan Selbie: That is in nine food categories—from ice cream to biscuits. The thing I would emphasise is that we will be publishing the baseline. We will publish it in March or early April. It is not a matter of whether we are ready or not. It is just the timing of publishing it. We will publish the baseline in nine categories of food, and the targets for the next four years. We will know whether it is happening or not.

Q144 **Andrew Selous:** I note what you say, and this is an issue that the Committee will follow very carefully as we go forward. I take some encouragement from Mr Cunningham's using the phrase, "in the first instance," and that we could come back to this. I noted what he said. Minister, in terms of the other levers that you talked about, what sort of things do you have in mind if progress is not what you want and need it to be in this area?

Nicola Blackwood: Alison put it very clearly. At the moment, we are having very constructive discussions with industry, and to start talking about levers and threatening them in that way at this point would be counterproductive. I am not going to go down that route at this stage. We have been clear, though, that we are prepared to go further if



necessary, if we do not see the progress that we think we need. We have been perfectly clear about that.

My experience of discussions with industry echoes that which you have heard on the panel today. I am optimistic. I am not naive. I see that we are going to face some challenges, and this is not going to be an easy and smooth ride. We are going to have to challenge industry at different stages. The Food and Drink Federation has called the reformulation programme “stretching but deliverable,” and I think that is quite a good characterisation. To demonstrate it, we have had some successes in the reformulation area as well. I did not highlight them earlier, but it is important that we see that industry is already starting to deliver. Petits Filous announced that they will be cutting sugar products in their yoghurts by 17%, Nestlé announced that they have developed a process to remove 40% of sugar from their chocolate, and Kellogg’s, who have previously been completely resistant to this agenda, have announced that they are removing 14% of sugar from—

Andrew Selous: It is just that—

Nicola Blackwood: It is important to see that we are making progress in this area, because you questioned whether it is possible. Industry is starting to take action on it in the same way as it is taking action on the soft drinks industry levy, which shows—

Q145 **Andrew Selous:** Just to end on this area, as we have one or two other areas to cover, would it be fair to say that the industry levy is a policy lever that you can leave on the side? Perhaps you can come back to it and review it to see if you might need to use it in the other nine areas if you are not making sufficient progress. Would it be fair to say that it is something you could return to?

Nicola Blackwood: Taxes are taxes.

Q146 **Andrew Selous:** Good. I want to move on to the issue of health inequalities, and ask Duncan what effect you expect the measures in the Government’s plan to have on health inequalities. Looking at the House of Commons Library brief, I was struck by the fact that the top 12 worst boroughs in England all have over a quarter of 10 and 11-year-olds as obese, which is a pretty horrifyingly high statistic. How is the plan specifically going to make an impact in terms of health inequalities?

Duncan Selbie: I purposely have not repeated all the data, because you understand it very well. Reformulating food, the levy on sugary drinks, getting our children moving more and getting the nutrient profiling sorted are universal measures, and they will help. We also have our more targeted work, which we have touched on, in Change4Life. We are supporting various initiatives around the country, mostly led by local government in each of the constituent areas. The big food debate in London is led by the director of public health and involved 2 million people in London. In Derbyshire, they are doing great work, supported by the public health department, on Feeding Britain and looking at ways of



supporting particularly vulnerable children. I cannot do Scotland, but I can go round most of the country and talk to examples going on at a local level. It is a combination of things. The biggest impact comes from the population-level measures that we have talked about here, and that I am mostly concerned with, but there are of course a whole range of other more—

Q147 **Andrew Selous:** For example, Barking and Dagenham has the highest rate that I can see; 28% of 10 and 11-year-olds are obese. Is there a specific challenge programme in Barking and Dagenham, for example?

Duncan Selbie: Every local authority is concerned about this. Every local authority has an embedded public health team, and childhood obesity is one of the things we talk to every local authority about. It is also with the NHS in the five year forward view and the work that is going on there to try to tackle, in a preventive way, a range of things; we touched on diabetes prevention. I know that is about adults, but we know that overweight adults are likely to have overweight children. The focus is a life-course thing. I cannot compete with you on shocking data. I probably know even more than you do about how awful this is and about why we were so committed to childhood obesity and the resources that we are putting in. I feel personally completely committed to making sure that each time I come before you we can show progress, and if we are not showing progress we will just tell you what it is and then we can maybe have another conversation about what else might be done.

Dr Tedstone: We would expect reformulation and the levy to have a greater effect on the highest sugar consumers. We all consume too much sugar on average, broadly, but lower socioeconomic groups are consuming the most. Therefore, because the structural things in the plan are very focused on sugar, we expect to see the greatest impact in the lower socioeconomic groups, all things being equal. We have not talked at all about the calorie reduction programme—because obesity has its highest prevalence in the lowest socioeconomic groups—which is coming onstream from PHE later this year. We would expect to see the highest impact in those with the biggest burden of calorie excess, who are the lower socioeconomic groups.

Q148 **Andrew Selous:** Minister, the Prime Minister has talked about health inequalities being a burning injustice, and I am sure we would all agree with her on that point. Can I press you a little further on one or two specific issues? When a child's parents get a letter from the school nurse saying that the child is obese, who checks that there is a follow-up with that child's GP practice?

Nicola Blackwood: At the moment, that will be part of the responsibility of the school nurse and, as well as that, it is the responsibility of the GP to make sure that that works effectively.

Q149 **Andrew Selous:** Okay, but is there any oversight? In schools in my own area, there are some that go the extra mile on this and try to involve



children in sports clubs and so on, but I think there are others who do less well, and there is an area of failure to join up that concerns me.

Nicola Blackwood: It is an area where we are working to improve at the moment as well, because we recognise that in order for the childhood obesity plan to be effective we need to make sure that we use the data and that we use intervention effectively. That is why we will not only maintain our commitment to the national child measurement plan but we will make sure that that moment of intervention is used as effectively as possible. That is going to be incorporated into the healthy schools rating scheme, which you have probably seen. It is part of the way in which we are going to monitor the effectiveness of the physical activity commitments and the healthy lifestyle commitments in the childhood obesity plan. At the moment the scheme is in the pre-commissioning phase, but it should be launched in September, we anticipate, to be fully rolled out to schools by the spring. The key to its being effective, I think—DFE is leading on it, obviously, because it is a schools measure—is that the healthy schools rating scheme is being designed with schools, so that it is effective for schools, and can deliver a real change, a whole-school approach, to children and families having a more healthy attitude to food and lifestyle.

Q150 **Andrew Selous:** There is one last area from me on the health inequality side. Dr Susan Jebb published research that she had done from a project just before Christmas that showed the success of GPs in raising the issue of obesity in a certain manner and then referring to a programme. There is also something called “Making every contact count”. What steps have been taken, given that there seem to be positive results from Dr Jebb’s work? Is that being spread across GP practices in England? Who is driving that, or is it just one isolated example of good practice, which we suffer from a lot in the NHS? We do not seem to be able to spread things. Is that being spread? We all know that clinicians are very busy, but whose job is it to gently prod and check that making every contact count in this area is happening, because I do not think it is to the extent we would all like it to be?

Nicola Blackwood: You are absolutely right that this is a crucial point. I think all the evidence shows that a health intervention in terms of weight is one of the most effective ways to help people change behaviour. I am going to hand over to Alison, who has been instrumental in some of the work around this. One key measure that we have for adults is the NHS health check. The key intervention that we have for children is obviously the national child measurement programme. The only way the intervention is effective is if it is then followed up with effective measures. For children, the follow-up programme is the child obesity plan, with all the steps we have in place to make sure that there is proper follow-up. For adults, it is mainly the national diabetes prevention plan and other steps around that. I think Alison can talk about this more effectively than I can.



HOUSE OF COMMONS

Dr Tedstone: Absolutely. Every contact counts is a very important agenda for PHE, and Susan Jebb's work illustrated that for obesity a very simple intervention has a significant effect—a small weight-loss effect but absolutely a significant effect. We have been talking to the royal colleges about how to penetrate that more in general practice. The other part is the health visitor programme and the school nurse programme. Health visitors are absolutely key in the making every contact count agenda. We want children to have the best possible start in life. We are working through the school nurse and health visitor programmes to help maximise opportunities around that. There is a lot of learning to do about how to do it best, so it is one of the programmes that PHE has under way, and when we have progressed it more we will be happy to come back and talk in more detail.

Chair: Thank you. I am conscious of time, because we are overrunning, but I know Luciana has a very quick question and then we are going to come to the final group of questions from Maggie.

Q151 **Luciana Berger:** It is a quick question for the purposes of accuracy in the record of the Select Committee. Dr Tedstone, you referred to the work that had been done around salt reduction, which started in 2003. You will be aware that that work was done without any legislation, or in fact regulation, but it had strong ministerial involvement and engagement. If we reflect on what happened in terms of salt reduction in our country, our average salt intake went down by 15% between 2003 and 2011, saving, it was estimated by the Department, 9,000 lives a year—people who were not affected by stroke or heart disease. Can you confirm that that is your understanding, that that is what happened? We have seen some challenges more recently, because we have not had the same level of ministerial involvement and leadership in that situation.

Dr Tedstone: From where I sit, we have had a lot of ministerial support and engagement on sugar reduction.

Q152 **Luciana Berger:** I am talking about salt. You mentioned salt before. You referred to salt, and my understanding was that somehow we had not had any progress, and I wanted to reflect on the progress that we did see.

Dr Tedstone: No. We have seen immense progress on salt. That is absolutely right. It was a structured programme. The Food Standards Agency led that with a lot of ministerial support, and we have support for sugar. The salt reduction programme has now been transferred to PHE. That was heralded in the childhood obesity plan. We are committed to working to deliver the targets that have already been set for salt, and we will develop the programme further over time.

Q153 **Chair:** Perhaps you could send us an updated note on where we are with that as well rather than carry on with it now.

Duncan Selbie: On salt.



Q154 **Chair:** Yes, on salt, just for general interest and for the factual record.

Nicola Blackwood: If it is helpful, I am very glad to confirm ministerial support for salt reduction and sugar reduction at this point.

Chair: Thank you. Maggie has the final group of questions.

Q155 **Maggie Throup:** It is recognised that the out-of-home food market is increasing in size. It is also recognised that it contributes to childhood obesity. What is being done to address that, and should more be done?

Nicola Blackwood: You are absolutely right. Out of home is a challenging sector because of its diversity, and that was recognised right from the beginning of the introduction of the childhood obesity plan. It is encouraging that even there we have seen some progress since the introduction of the childhood obesity strategy. In particular, Subway has committed to reformulating some of its products, and we are in conversation with some other industry partners. That is one of the most encouraging parts of the progress that we have made so far, as that was one of the areas we were most worried about. That is not to underestimate the challenge we face, as we have discussed already, which is why what will be most important is gathering the data—transparently gathering the data—and holding the different sectors of the industry very clearly and carefully to account as we go forward and, if we feel that we are not making the progress we need, considering the levers we discussed.

Duncan Selbie: There are no brackets against reformulation that say “excluding out of home”—far from it. The manufacturers and the big retailers have consistently said that it has to apply to all, and it will. That is what we will publish, and then we will track progress.

Q156 **Maggie Throup:** With public health now sitting in the local authority area, can more be done in that scenario from a planning point of view?

Duncan Selbie: There is a whole lot of current and future opportunity for local government to be even more engaged about the planning decisions that they are making. There is a lot going on with DCLG about revisions to the national planning guidance, which will hopefully help that along. It is not that there is no progress, but there is much more that can be done and it speaks to the question about inequalities around the nation. We need to give further help, particularly at local government level, about permissive power on planning.

Q157 **Maggie Throup:** Obviously a lot is happening, more than just what is in the plan, but one thing that seems to be missing from the plan is an explicit target for a reduction in childhood obesity. Why is it missing?

Nicola Blackwood: In all our discussions and communications about that, we have been clear that our modelling on the plan expects the plan in aggregate to lead to a reduction in childhood obesity of up to 20%, but if I am honest I do not think that will be the measure of success for the



plan. The measure of success for the plan will be a change in our relationship with sugar, fats and high-calorie foods. That is what we need to achieve in the United Kingdom if we are to have healthier lifestyles. That is what we collectively need to work towards. We are working on that. That is what the plan is the first step towards, and that is why it says that this is the beginning of the conversation; it is why it says we will consider further levers and why we put in all the key phrases. We recognise that this is a long-term challenge and one that we will only achieve by partnership working.

Q158 Maggie Throup: You took the words out of my mouth about its being the start of the conversation, and we have continued the conversation today. You have talked about the reformulation and the outcomes, but how will we truly know that your plan has been successful?

Nicola Blackwood: We have discussed many of the details and the implementation issues. We are going to be very easy to hold to account. We have a website on which we are going to publish all the data. You are going to be able to track our achievements. You will be able to see every blip and uptick, so it is going to be very easy to call us back here and hold us to account, which is exactly what we want. This is a challenge that we face as a nation, and we need to face up to it together.

I do not think we are going to see a failure in this area, because we are already seeing successes. I am already able to report successes in terms of the sugar drinks industry levy. I am already able to report changes in terms of reformulation, and changes in terms of promotions and advertising. What we are seeing is a cultural change in the way industry is reacting to consumer pressure for healthier options. We need to make sure that there is no backsliding. We have begun the journey. We have put in place what we think are effective monitoring mechanisms and effective pressurising mechanisms, and I hope that the Select Committee will be part of that mechanism as we try to drive the agenda forward. It could not be more important for the upcoming generation.

Q159 Maggie Throup: We have talked about the industry side, but what we are here for is the child. We all know the stats: one in five starts primary school obese, and one in three at secondary school. In your mind, in 2025, when this is all moving, what do you want those stats to be? That is my last question.

Nicola Blackwood: I do not think about it in terms of stats. I want a child to go to school and think about food differently. I want us to break our addiction to sugar and high-calorie foods. I do not want us to have the same relationship with food in 10 years' time that we have now, and I hope that this obesity strategy is our first step in breaking our addictive relationship with high-sugar, fatty, high-calorie foods. I hope that we can do that.

Duncan Selbie: We need to see a closing of the gap between those who are affluent and those who are not—fewer overweight children and fewer



HOUSE OF COMMONS

injustices because of the differences that you experience depending on your affluence.

Q160 **Chair:** I am very glad you added that, because so far, in every single year of the child measurement programme, the gap has widened. That is an end point; it is not just changing the cultural relationship that we have with sugar, but actually narrowing the gap.

Duncan Selbie: It is a hard thing to do, but that is absolutely right.

Q161 **Chair:** Thank you for adding that. That is great. As you said, this is just the start of the conversation. I am sure the Committee will want to follow up, so it would be very helpful if you could give us an indication of when in March you are going to publish, or if you anticipate that date slipping, so that we can plan accordingly for you to return to the Committee to talk about progress.

Nicola Blackwood: I do not have an exact date for publishing. We will let you know when we are publishing, and then we would be very happy to come back to talk about it.

Chair: Nearer the time, if you have an idea of when that would be so that we can plan to see you after it has been published rather than before, it would be very helpful. I am sure it is something the Committee will continue to take an interest in, and we wish you well with what you are trying to achieve. Thank you very much for coming today.