

# **UK HOSPITALITY - WRITTEN EVIDENCE (FDO0132)**

## **About us**

UKHospitality is the authoritative voice for over 740 companies operating around 100,000 venues and employing 3.5 million people. We bring together businesses from all aspects of hospitality: coffee shops, hotels, pubs, restaurants, leisure parks, contract caterers, food to go, visitor attractions and more.

We welcome the opportunity to provide our views as part of the Committee's call for evidence. We focus our comments on those areas of interest most relevant to the out of home food service sector, and an analysis of a recent legislative intervention in this space. If the Committee would be interested in hearing from UKHospitality at any upcoming oral evidence sessions, we would be very happy to do so.

## **The role of the food and drink industry in driving food and diet trends and on the policymaking process**

1. UKHospitality member companies – from across all parts of an incredibly diverse sector– invest significant work and resource in nutrition and healthy eating to give customers the best possible choices when going out for a meal, having lunch at the office and business events, and eating food on the go.
2. We recognise that the diversity of businesses within our sector, and the range and choice of food we offer, is why customers choose to eat out of home. Therefore, building healthy choices into our varied offers has been a priority for our sector.
3. Areas of focus include menu design and language promoting healthier choices, portion sizes (and associated reductions in calorie, salt, and sugar content), and reformulation of menu options themselves.
4. One of the major challenges around policymaking and the out of home sector is understanding of how the sector operates, the variety of business models, the differing ways in which they serve food, and crucially how, when and why customers consume food in an out of home setting. Policy interventions in the past have often looked to 'read across' existing obesity or health policy from other sectors to out of home, without fully assessing the effectiveness of

this. The out of home sector has an important role to play in ensuring the policymaking process reflects how the sector operates and how customers engage with it.

5. A recent example of where the out of home sector plays a role in the policymaking process is via the work of DHSC and DEFRA in establishing the Food Data Transparency Partnership (FDTP). This includes industry - specifically out of home businesses and representative bodies – in the development process of new and accurate metrics that reflect real-life business and customer practice to aid in evidence-based future policymaking on health and obesity. Accurate data and metrics will improve the effectiveness of any future policy interventions in this area, following implementation and analysis of new metrics developed by the FDTP and road-tested in the sector.

**The effectiveness of Government planning and policymaking processes in relation to food and drink policy and tackling obesity, including the impact of recent policy tools and legislative measures intended to prevent obesity**

6. In recent years several a number of policies have been introduced or announced relating to obesity and the out of home sector. These include (in England):
  - Voluntary salt, sugar and calorie reduction targets (from 2014 onwards, due to report in 2025)
  - Soft Drinks Industry Levy (2018)
  - Elements of product location restrictions (2022)
  - Mandatory calorie labelling on out-of-home menus (2022)
  - Elements of HFSS advertising restrictions (due 2025)
7. There are positive examples of policymakers taking out of home sector considerations into account when developing new legislation. On the promotions and location restrictions element, following discussions with the sector it was recognised that the use of display space in out of home food outlets is different from other environments, and multi-buy ('two for one') and 'meal deal' offers in the out of home sector are generally targeted to multiple individuals eating out together as a group and it was not the policy aim to make it more expensive for families eating out. This is an example of where the structure and customer use of out of home was implemented into policy in a practical and proportionate way.

## Case study: impacts of menu calorie labelling in England

8. The policy that has been the most directly targeted to out of home businesses in recent years has been the introduction of menu calorie labelling in England, delivered at pace between 2020 and 2022. The regulations require large businesses with 250 or more employees in England, including cafes, restaurants and takeaways, to display (at point of sale) the calorie information of non-prepacked food and soft drink items that are prepared for customers. During the development of the legislation and the accompanying guidance, we were grateful that sector views were taken on board as part of the policy design to mitigate some of the practical impacts of implementation.
  
9. In terms of the impacts of this policy on obesity/calorie intake reduction levels, we believe this serves as an important case study demonstrating how population level interventions around obesity do not necessarily have the desired impacts. A recent study published in *The Lancet* (*'Effects of calorie labelling in the out-of-home food sector on adult obesity prevalence, cardiovascular mortality, and social inequalities in England'*, Colombet et al., March 2024) examining the effectiveness of this specific policy illustrates several points we wish to make around the broader impacts of obesity policy in the out of home sector, which we hope will be of interest to the Committee.
  
10. Key features from this modelling study include:
  - Modelling the projected impact of two scenarios relating to cardiovascular disease over a 20-year period (2022–2041).
  - Scenario one was based on the current menu calorie labelling legislation in England – which applies to out-of-home food business with over 250 employees – and predicted it would prevent or postpone 730 cardiovascular deaths over 20 years.
  - Scenario two was based on extending the calorie labelling legislation to all out-of-home food businesses in England and predicted this would prevent or postpone 9,200 cardiovascular deaths over 20 years.
  - For context, the total cardiovascular deaths expected in total for this 20-year period is 830,000.

11. The study, as the authors acknowledge, has developed specific models looking at impacts on one disease (cardiovascular) and recognises that there are other factors to consider in terms of applying the findings more widely. We do not dispute the methodology used in this specific study - rather the assumptions that have externally been drawn from it, namely that one measure in isolation (in this case menu calorie labelling) automatically equates to large-scale changes in consumer behaviour and therefore reduces overall obesity levels.
12. The study assumes 'that the effect menu energy labelling has on consumer behaviour is consistent over time'. Consumer behaviour in the out-of-home sector is not consistent, evidenced by the wide variety of styles of food service based on changing consumer expectations and behaviours. Customers will have many different reasons for eating out of home (occasions, time of day, group dynamics) and their choice of which specific dish to order will be reflective of this.
13. The vast majority of people will not be eating out-of-home meals as their main source of energy every day. There is also anecdotal evidence to suggest that with such labelling policies there is a higher level of recognition and impact on customer behaviour when immediately introduced, which decreases or adapts over time. Therefore, in our view assuming customer behaviour relating to menu calorie labelling will be consistent over a 20-year period is challengeable, and more research needs to be done in this space.
14. UKHospitality has been involved in recent a Department of Health/University of Cambridge study looking at elements of this around the time the legislation was introduced, and further research needs to be undertaken to accurately gauge how customers react to menu calorie labelling in real-world situations. The authors of The Lancet study agree that "more evidence on the empirical impact of menu energy labelling on the consumers and the out-of-home food sector is needed, especially in England, to estimate the long-term impacts of mandatory calorie labelling policies with improved precision."
15. External assumptions from the modelling study (to stress not the study itself) can draw the conclusion that less calories = healthy eating, and therefore labelling calories will lead to automatic

reduced calorie intake and therefore healthier diets. There are issues with this assumption both with regard to consumer behaviour (as set out in the point above) and the wider point that a healthy diet contains many different elements including calorie balance (not necessarily reduction), the nutritional profile of food, exercise and education.

16. Additional unintended consequences around menu calorie labelling include, most prominently, impacts on those with eating disorders. The study recognises this, and states: 'we did not consider the potential unintended negative effects of menu energy labelling. However, these are a major concern, in particular through triggering or reinforcing eating disorders and hindering recovery, as underlined by a 2023 study in England. Yet no robust evidence exists to quantify this issue, so we have not explored it in our model.' Whilst it is correct to say no scientific evidence exists as yet around this area, based on feedback from businesses this is a real-world concern for some customers and a negative impact of mandatory labelling. The Scottish Government, when recently looking at whether to introduce similar measures as in England, has extended timescales to ascertain more detailed impacts around this specific issue such as the concern raised during the consultation process.
17. There is also a resourcing and accuracy point around extension of the scheme to smaller businesses. For those companies over 250 employees subject to the current legislation, significant resource and time were (and are) invested in both implementing and maintaining systems to comply with the requirements. Given the range of different ways of serving and preparing food for our customers, there is no one single way of complying with the legislation (which also has impacts on enforcement) that covers all businesses. That is not to say businesses do not comply, but rather to underline that implementation is not straightforward and would be even more challenging for the smallest businesses. The study authors recognise this and state 'empirical data on actual individual business costs (especially for small businesses), and implementation and enforcement costs, are needed for England to conduct a proper cost-effectiveness evaluation.' We agree more research is needed in this area, and as referenced above there is an ongoing study looking at businesses impact of the legislation and initial customer reactions.

18. The study refers to additional modelling carried out around menu calorie labelling in the United States of America and Kenya, which show (again modelled) future impacts on calorie consumption in areas where menu labelling is in effect. It is worth highlighting that there are also studies that indicate the opposite, including a review of the New York City menu labelling programme that found in some cases calorie intake increased as people bought more higher-calorie starters (American Journal of Public Health, 2012), and a literature review from the same publication in 2015 found that of existing studies, menu labelling did not produce any significant changes in customer ordering behaviour in out-of-home businesses.

19. As a sector, we are fully supportive of giving our customers information and menu options to make healthier choices, including work around the existing sugar, salt and calorie reduction targets. Our primary point in relation to the Committee's area of interest in the effectiveness of recent Government policy tools to tackle obesity, is that one measure should not be looked at in isolation and significant assumptions made around consumer behaviour that is not necessarily reflected in real-world practice.

### **Lessons learned from international policy and practice, and from the devolved administrations, on diet-related obesity prevention**

20. We refer above to international studies looking at menu calorie labelling in particular, which highlight there is no one clear consensus around the effectiveness of such interventions.

21. Regarding devolved administrations within the United Kingdom and obesity policy impacting the out of home sector, there has been a trend in recent years to broadly reflect policy developed by the UK Government, with some changes. Examples include Scotland consulting on promotion and location restrictions (2024) and both Wales and Scotland consulting on menu calorie labelling. Of interest here is the slower pace of introduction reflecting learnings from impacts seen in England, and local considerations.

## **Future policy tools that could prove effective in preventing obesity**

22. Robust data on how and when customers choose to eat meals out of home, and crucially how this impacts overall obesity levels, is key to developing effective policy in preventing obesity. The structure of the sector and specific business models should also be considered. Identifying where those most at risk of obesity live, how and where they purchase food, education around healthy eating and other social considerations all have an impact which may not be sufficiently targeted by population level interventions. Using metrics that reflect real-world practice, such as those under development by the FDTP, and examining interventions on a more local level could be an area that is explored in future policymaking in this area.

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