Action on Salt & Action on Sugar 2024 Budget Representation

Action on Salt
Action on Salt is a group of experts working to reduce population salt intakes to prevent death and suffering from heart disease, stroke, kidney disease, osteoporosis and stomach cancer. Action on Salt is supported by 22 expert members.

Action on Sugar
Action on Sugar is a group of experts concerned with sugar and obesity and its effects on health. It is working to reach a consensus with the food industry and Government over the harmful effects of a high calorie diet and bring about a reduction in the amount of sugar in processed foods to prevent obesity, type 2 diabetes and tooth decay.

For more information, please contact: Sonia Pombo RNutr, Head of Research and Impact
s.pombo@qmul.ac.uk

Background

Poor diets high in excess calories, fats, sugars and salt, is the major risk factor for death and disability in the UK (1):

- High salt intake raises blood pressure, increasing risk of stroke (by 23%) and cardiovascular disease (by 14%) (2). High salt intake is also linked to kidney disease, osteoporosis and stomach cancer (3).
- High sugar intake is the leading cause of dental caries, with consumption of sugar-sweetened beverages linked with type 2 diabetes. It is also linked to cardiovascular disease and a range of cancers (4).
- Excess calorie intake is associated with obesity, which affects more than one in four adults in England (5). Living with obesity increases the risk of developing type 2 diabetes, cardiovascular disease, non- alcohol related fatty liver disease and thirteen types of cancer.
- The escalating costs to the NHS of diet related disease e.g. hypertension (£2.1 billion) (6), obesity (£6.1 billion) (7) and type 2 diabetes (£12 billion) (8) are unsustainable, but in many cases are entirely preventable.

Consuming a diet that is affordable and nutritious is a basic requirement for good health, but we cannot expect people to achieve this when there are unnecessarily high levels of calories, salt and sugar already in the foods we buy. If we want people to eat well, then we must do our due diligence and provide them with access to that.

In the UK, two thirds of calories consumed by families come from highly processed packaged foods, which are more likely to be high in fat, salt and/or sugar (HFSS) and low in fibre, fruit and vegetables. More than 75% of the salt in our diets is already in the food we buy (9), and just three categories – biscuits, confectionery and desserts – are responsible for almost 60% of the added sugar that we eat at home (10). Two in three children in the UK exceed salt intake recommendations and 95% exceed sugar recommendations (11).

These foods are cheap to produce, have large profit margins, and are often heavily marketed and promoted to consumers (12,13). According to a recent systematic review (14), the UK was ranked as one of the world's leading consumers of ultra-processed foods, particularly amongst the more socially deprived communities. Those on lower incomes are more likely to eat excess salt, sugar and calories due to the lack of availability, affordability and accessibility of healthy, nourishing food, which exacerbates prevalent health inequalities across the UK.

Reformulation to improve the nutritional profile of food and drink by reducing levels of excess salt, sugar and saturated fat, while ideally increasing healthier elements such as fibre, fruits and vegetables - is a key public health intervention to improve population diet and prevent ill health. Companies are constantly reformulating their products for a number of reasons, including adapting to consumer tastes and supply chain challenges, removing allergens, and launching new products. With guidance and leadership from the government, this ongoing process can benefit health, with gradual and sustained decreases in excess salt, sugar and calories.

The mandated Soft Drinks Industry Levy (SDIL) has demonstrated great success in reducing sugar levels in sugar-sweetened soft drinks, however, the current voluntary reformulation programmes have seen mixed to poor progress, largely due to a lack of accountability. The UK's flagship reformulation programme on salt reduction, initiated under the previous Labour government, saw initial, world-leading success when implemented in the early 2000's, with falls in population salt intake, average population blood pressure and mortality from CVD by 2011 (15). Despite this, population salt intakes have not fallen since 2014 (16), leaving population salt intake 40% above the recommended 6g a day. Similarly, the sugar reduction programme resulted in an overall reduction of 3.5%, with mixed results across different categories (17). Notably, products targeted to infants and toddlers are not currently subject to reformulation programmes, despite our research highlighting high sugar content in particular.

The Government should commit to comprehensive reformulation programmes, across sugar, salt and excess calories and introduce incentives to ensure progress across the entire sector. In the short term, there is potential for significant further health gains to be made through the reformulation of food and drink products with the use of fiscal measures, which would provide an effective incentive to the food industry.

Our Recommendations

1. Soft Drinks Industry Levy – threshold adjustment

The SDIL has been highly effective in reducing sugar levels in sugar-sweetened soft drinks, achieving a total reduction in the sales-weighted average sugar content of 46% between 2015 and 2020 (17). This compares to just 3.5% lowering of sugar in other product categories covered by the voluntary sugar reduction programme. The SDIL has also raised £300-350 million every year in revenue for the Exchequer (17), supporting investment in child health programmes including the National School Breakfast Programme, the Holiday Food and Activities Programme and the doubling of the Primary School Sports and PE Premium. Latest research from the University of Cambridge suggests that the levy may have prevented over 5,000 cases of obesity per year amongst girls aged 10-11, (18) as well as being associated with a 12% reduction in hospital admissions for tooth extractions due to tooth decay in children aged 0-18 (19).

The sugar thresholds set in the SDIL has not changed since its introduction in April 2018. We believe the SDIL could go further to meet its full potential, including adjusting the existing tiers and thresholds. Evidence suggests that a large proportion of drinks have been reformulated to just below the 5g entry threshold (20). However, a drink with 4.5g sugar per 100ml still contains a significant amount of sugar, and would be considered high in fat, salt and/or sugar (HFSS) according to government advertising and promotional regulations.

Lowering the entry threshold of the Soft Drinks Industry Levy from 5g/100ml and adjusting the other thresholds would incentivise businesses to continue on their reformulation journey and reduce sugar from their products, as well as increase policy coherence between the SDIL and the Nutrient Profiling Medel. This level is likely to be easily achievable by manufacturers, as median sugar content is estimated at 4.2g/100ml in sugar-sweetened soft drinks (20).

Alongside this, a high proportion (90%) of revenues derive from drinks in the higher tier of charging, and revenues are remaining fairly stable indicating there is little reformulation taking place at this level. Therefore, to benefit both health and revenue, **we also propose a new 'polluter pays' upper level threshold of 10g/100ml to address the market-leaders (primarily Coca Cola and Pepsi) who have stated that they will never reformulate their highly popular classic cola drinks.** This new threshold would ensure those manufacturers who refuse to reduce sugar levels do not have an unfair advantage in the continued sale of excessively sugary drinks while other companies choose to commit to sugar reduction measures.

We strongly recommend that the levy thresholds be adjusted, with a lower threshold of 4.5g/100ml to align with the Nutrient Profiling Model (NPM), subsequent reductions in other tiers, and an additional upper tier to address excessively high sugar-sweetened beverages.

Suggested changes to SDIL Thresholds

Current SDIL Thresholds	Suggested Thresholds
<5g/100ml: no levy	<4.5g/100ml: no levy
5-8g/100ml: Lower tier	4.5-7g/100ml: Lower tier
>8g/100ml: Upper tier	7-10g/100ml: Middle tier
	>10g/100ml: Upper tier

2. Soft Drinks Industry Levy – uprating the levy in line with inflation

The levy rate was first set in 2018, and has not risen in line with inflation, unlike alcohol or tobacco. Revenues have remained stable, indicating consistent sales of drinks containing high levels of sugar. If the rates had been increased in line with inflation, the charging regime would currently sit at 22.7p per litre for drinks over 5g per 100ml, and 30.3p per litre for drinks over 8g per 100ml (21). Taking this calculation, if the SDIL had been uprated with inflation we estimate that revenues from SDIL would now be closer to £425 million instead of £355 million.

We encourage HM Treasury now to announce an intention to uprate the charges within the SDIL, given there has been no change to these since introduction in 2018, and use the additional revenue to invest in child health programmes.

3. Soft Drinks Industry Levy – extension to milk-based drinks

The threat of extending SDIL to milk-based drinks (which are currently only subject to the voluntary sugar reduction programme) has resulted in a 29.7% reduction in sugar levels in retailer and manufacturer products - outperforming other categories and hitting the 20% target, but still lower

than that achieved through the levy itself (46% reduction). However, the latest figures for out-of-home open cup milkshakes showed a 12.7% increase in sugar content and a 12.2% increase in calories per single serving from baseline (17).

Our survey conducted in November 2023 showed some hot and cold milk-based drinks contained anything from 30-70g sugar per made-up drink, more than double the recommended maximum daily intake for an adult (22). There is also a market growth in commercial growing up milks, aimed at children aged 12-18 months, contributing significant amounts of free sugars to their diets. Government guidance states these milks are unnecessary for child nutrition and that children this age should be avoiding any sugar-sweetened drinks and food, but this industry is not regulated or included in any current government policy. Any future review or consideration of the scope of the SDIL should take into account these growing-up milks.

We strongly recommend that the Government consider expanding the scope of the SDIL to include sugary milk and alternative milk-based drinks as well as open cup drinks in general to ensure a level playing field between the retail and out of home sectors, and consistent sugar reduction in all milk-based drinks. This should take place in the start of the next financial year (April 2025).

4. Soft Drinks Industry Levy – extension to alcoholic drinks

Excessive alcohol consumption has a damaging impact on health. In addition to this harm, alcohol contains seven calories per gram, and many alcoholic drinks contain added sugar which further contributes to calorie intake. Many alcoholic drinks, such as fortified wines, sherries, liqueurs and cider contain added sugar, plus many spirits are mixed with sugary soft drinks. There has been a notable rise in the number of premixed, often fruit flavoured and spirit based alcoholic soft drinks and pre-mixed cocktails on the UK market. Our research shows these pre-mixed spirits and cocktails can contain up to 9 teaspoons of sugar in just 250ml (23). However, while a sugar-sweetened lemonade is subject to the SDIL, a pre-mixed can of lemonade and vodka is exempt. Furthermore, most alcoholic drinks do not display nutrition information, leaving consumers in the dark when it comes to sugar and calorie levels in these drinks.

We recommend all alcoholic beverages should be subject to the same sugar reduction criterion as other sugary drinks, as set out by the SDIL.

5. Additional fiscal measures to incentivise salt, sugar and calorie reduction

Given the success of the SDIL in incentivising reformulation of unhealthy drinks whilst not impacting sales, and the overall poor progress with the voluntary reformulation programmes, we recommend that the government consider the introduction of levies and fines for companies who do not meet established salt, sugar and calorie reduction targets, and for infant/toddler products if they have more sugar/salt/calories than the World Health Organisation's published guidance (24).

The devastating impact of excess salt on health in particular is clear - impacting blood pressure, overall cardiovascular health, kidney health and even bone health - and yet we still eat 40% more than the recommended maximum of 6g per day in the UK, which has not fallen for 10 years. Thousands of people in the UK die needlessly each year due to high salt intake; this is not a burden we need bear.

The most recent reporting on calorie reduction (25) in February 2024 found limited progress by food industry in working towards the ambitions and guidelines set for calorie reduction. **The report extended the period for achievement to December 2025 but signalled that it would explore other levers if progress was not made. The government now needs to set out what approach it wants to take to speed up progress.** Building on the success of the mandatory SDIL, this would be a key opportunity for HM Treasury to use similar financial duties to incentivise reformulation.

The National Food Strategy proposed a Sugar and Salt Reformulation Tax - a £3/kg tax on sugar and a £6/kg tax on salt sold for use in processed foods or in restaurants and catering businesses - which would create an incentive for manufacturers to reduce the levels of sugar and salt in their products, by reformulating their recipes or reducing their portion sizes (26). It estimated that an industry-wide sugar and salt levy could reduce average salt intake by up to 0.9g per day (~11% reduction in population salt intakes) and average sugar intake by up to 15g (27). This concept should be explored and tested for feasibility. According to research commissioned by Recipe for Change, up to two million cases of food-related ill health could be prevented by if a levy on salt and sugar in manufactured food and drink was introduced (28). This could provide gains of around 3.7 million quality adjusted life years, with an economic value worth £77.9 billion over 25 years.

The National Food Strategy estimated that a new levy could generate between £2.9bn–£3.4bn per year for HM Treasury (26). This would provide significant additional revenues for the Treasury to direct into relevant departmental budgets, namely government reformulation programmes, as well as child health programmes and increasing access to healthier food such as fruit and vegetables.

A call for evidence would send a clear message to the food and drink industry, of the intent to move beyond voluntary programmes in the absence of action. It would also ensure that a full overview of the evidence from the existing SDIL programme and modelling for a potential expansion could be robustly evaluated and align all relevant areas of government around this evidence.

We recommend HM Treasury works alongside the Department of Health and Social Care to issue a joint call for evidence on further options for using financial levies to incentivise the production of healthier food and drink.

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