“The diets of typical British families now pose the greatest threat to their health” and life expectancy⁴. Our overconsumption of sugar is highly problematic, but it is not the only issue: British diets include insufficient fruit and vegetables, fibre and oily fish, and too much added sugar, salt and saturated fat. Almost half of the energy consumed by British children in a typical family² comes from foods high in fat, salt, and/or sugar.

**Poor diets are a social justice issue**

While poor nutrition is a problem for the Scottish population as a whole, lower levels of income and education are associated with less healthy diets³. And while progress has been made in improving diets over recent decades, those on lower incomes have been left behind⁴⁵.

Poorer households tend to have poorer nutrition because they have less freedom of choice, due to both economic and geographical factors, and they tend to be more targeted by, and possibly more vulnerable to, marketing of unhealthy foods.

- When budgets are tight, people are forced to prioritise calories over nutrients to afford their weekly food shop⁵.
- The proliferation of supermarkets has meant most people have more access to nutritious food, but many low-income areas suffer from a lack of access to nutritious, affordable food⁴.
- The top seven food brands spend a combined ten times more on marketing than the entire budget of the government’s leading healthy eating campaign, while often targeting unhealthy products on those with the lowest incomes⁴.

Worryingly, the incidence of obesity is rising steadily for children in the lowest income households across the UK. This is dramatic because poor nutrition in childhood has long-lasting health and developmental impacts. On one hand, it is a contributing factor to the attainment gap as children who are malnourished suffer from poorer health, lower cognitive functions, erratic behaviour and emotional distress. On the other hand, childhood malnutrition has been proven to increase the risk of adult diseases such as diabetes and cardiovascular disease⁶.

The knowledge that obesity and poor nutrition are a social justice issue must inform policies, so that deprived communities are no longer left behind. Tackling low wages,
insecure working conditions, and the poverty premium, and strengthening welfare
social security nets for the most vulnerable, while not health measures, are likely to
have significant benefits for improving the nutrition of all people in Scotland.

**Tackling the obesity crisis requires substantial changes to our food environment**

We have had 20 years of ‘eat 5-a-day’ messaging, but it has made no significant
difference. Educating individuals on how to make healthy choices cannot work when
the whole food system pushes behaviour in the opposite direction. The obesogenic
food environment is created and perpetuated by the food and drink industry,
because it is profitable. Most of the intellectual capital in the food industry is
dedicated to adding value to cheap food commodities for the profit of the industry
rather than to nourishing us. “Industry profit margins are far greater from highly
processed, commodity derived products such as snack foods and beverages which
are primarily composed of refined starch, concentrated sugars and low quality fats.”

It is therefore critical that policy-makers commit to bold action and confront the food
industry for its responsibility in the current obesity crisis.

1. **Bold and urgent action is needed on the following five levels – the 5 P’s**

Promotions in retail and catering outlets are biased towards unhealthy foods.
Across the whole sector, 3% of all food advertising is spent on fruit, veg and pasta,
while 58% is on confectionary and convenience food. The Scottish Parliament and
Government must, within their powers, put in place strict regulation of all forms of
marketing of unhealthy foods, especially when targeted at children.

Prices: healthier foods are 3 times more expensive than foods high in fats, salt
and/or sugar as source of dietary energy, and the price difference is growing. A
sugar tax is a positive step in the direction of taxing unhealthy foods, but measures
are needed to mitigate the disproportional burden it may place on lower income
households. Nourish Scotland advocates for the introduction of a Multiple Retailers’
and Caterers’ Levy – see below.

Placement: there has been a 53% increase in places to eat out in the last 10 years,
and the single biggest category is quick service restaurants, which typically sell less-
healthy meals. The Planning Bill provides a key opportunity to set the objectives of
our planning system. One such objective should be to ‘create a safe and healthy
environment in which physical activity and nutritious food are easy options.’ This
means for example a ban on junk food outlets near schools, spaces for urban food
growing, subsidies and indoor spaces for farmers’ markets, and support for local and
independent food retailers through tax rebates. Special attention must be given to
deprived areas.

Products: only 5% of ready meals, breakfast cereals, bread and yoghurts bought by
‘typical families’ have low levels of fat, saturated fat, sugar and salt. This is clear
evidence that voluntary action by the industry is not going far enough. Regulation
and fiscal measures are needed to force the industry to cut on fats, free sugars, and

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8 Facts and statistics taken from Force-Fed
salt. Such regulation must also prevent the industry from merely substituting regulated components with equally unhealthy alternatives (replacing sugar with high-fructose-content corn syrup or with aspartame for example).

Pleasure: ‘taste or smell’ is the fourth most important factor influencing consumers’ product choice, before ‘healthy option’ – rated first by 14% of respondents, against 9% only for ‘healthy option’. More needs to be done to increase the appeal of fruit and veg; for example through a public campaign, upskilling in public catering, and education in schools. Nourish Scotland is currently involved in a project that seeks to do just that – see below. Furthermore, cutting down, gradually but drastically, on levels of salt, sugar and sweeteners across all processed foods and drinks will change our taste preferences and help us enjoy healthier foods better.

2. Useful frameworks to guide policy

The Individual, Social, Material – ISM – framework has been adopted by the Scottish Government for its efforts to promote low carbon behaviour change. This framework recognises that individual behaviours are integrated within, and influenced by, a social context, which is itself part of a wider material context. “By understanding these different contexts and the multiple factors within them that influence the way people act every day, more effective policies and interventions can be developed”\(^9\). The ISM framework should be used to develop the Diets and Obesity Strategy to promote a more holistic approach and comprehensive solutions.

The Food Environment Policy Index (Food EPI) is a tool for evaluating the effectiveness of food policies in relation to international best practice. The London-based Food Foundation recently published its final Food EPI report as well as a Policy Briefing\(^10\) which compiles 10 priority actions to reduce obesity and diet-related diseases in England – listed below. Nourish is currently in discussions with the Scottish Government’s Food, Drink and Rural Communities Division about conducting similar research in Scotland.

1. Control the advertising of unhealthy food to children
2. Implement the levy on sugary drinks
3. Reformulation: reduce the sugar, fat, and salt in processed foods
4. Monitor school and nursery food standards
5. Prioritise health and the environment in Farming Policy
6. Adopt a national food action plan to make healthy and sustainable food affordable to all
7. Monitor the food environment
8. Healthy buying standards in public procurement
9. Strengthen planning laws to discourage unhealthy fast food
10. Evaluate food-related programmes and policies

These frameworks should inform the upcoming Good Food Nation Bill. This Bill provides a key opportunity to establish framework legislation that joins up food, farming, and health.

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A complex issue such as obesity cannot be solved by siloed thinking and timid guidelines. The Good Food Nation Bill offers a crucial opportunity to:

- rethink the legal framework surrounding our food environment,
- establish the fundamental objectives of our food, farming, and diet-related health policies, and
- make the missing link between environment and physical wellbeing – *i.e.* Scotland’s land and other natural resources should contribute to supporting healthy lifestyles, so our land should support a food system that nourishes all people in Scotland.

### 3. The Multiple Retailers’ Levy

Multiple Retailers and Caterers create our collective food environment. This power should come with responsibility; the responsibility to help us meet the nutritional standards set by Food Standards Scotland.

This Levy would tax the “health difference” between what we are sold and what we should be buying. Large retailers and caterers would be required to report periodically on the nutritional composition of their sales. They would then pay a levy on the difference between their sales and the national dietary goals – this would apply to each nutritional component: saturated fats, fibre, free sugar, etc. as a proportion of total dietary energy sold.

The two primary goals of a Retailers’ and Caterers’ Levy are 1) to influence proportional food prices in favour of healthier foods and 2) to incentivise large retailers and caterers to promote healthier foods through reformulation and marketing.

### 4. Making veg the easy choice, Peas Please

Increasing the proportion of dietary energy that we get from fruit and veg is a key avenue of tackling obesity. Since education and public messaging are not improving diets, we need to address barriers in the food chains that are impeding increases in consumption of healthy foods. To achieve this objective, strong collaboration between civil society, the food industry, and the public sector will be needed. Nourish is involved in a project, called Peas Please, that seeks to do just that. Peas Please aims to increase veg consumption in the UK by tackling barriers in the Social and Material contexts of the food system.

Over the next six months, experts and stakeholders from the food and drink industry, civil society including academia, and the public sector will explore the opportunities to increase veg consumption along food supply chains. They will do so in eight working groups (provisional names):

1. Veg in everything (reformulation and product design)
2. Veg on show (normalising veg through advertising and marketing)
3. Veg on the move (improving veg offers in fast food, street food, sandwiches & snacks, and workplace food)
4. Veg direct (dignified ways to get veg to low income households)
5. Urban veg (creating cities which support veg consumption)
6. Outlook for veg (ensuring we have a thriving and sustainable future for British horticulture)
7. Clever with veg (upskilling in catering industry to provide more pleasurable veg)
8. Veg everywhere (increasing the placement and promotion of veg on the streets and in retail environments)

The outcome of this process will be a list of commitments to which industry actors, politicians and public institutions are asked to sign up

**A well-nourished population comes with wider societal benefits**

To conclude, it is important to remember that improving diets, while it may seem expensive in the short term, will lead to a whole host of other, monetary and non-monetary, benefits:

- a reduced burden on the NHS,
- a more productive and happier population,
- opportunities for the Scottish horticultural sector,
- thriving local and community food sectors,
- lower greenhouse gas emissions from the food we consume
- a fairer country, as diet-related health inequalities are halted.

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11 More information can be found at [www.nourishscotland.org/projects/veg-project](http://www.nourishscotland.org/projects/veg-project)

A Multiple Retailers’ and Caterers’ Levy

Large retailers and caterers create our collective food environment, providing us with the bulk of our shopping and most of our meals outside the home. The food on their shelves and menus, the discounts and promotions they offer, and their marketing strategies influence the products we buy. This power should come with responsibility; the responsibility to help us meet the nutritional standards set for our nation. Information and education measures will not effectively improve our diets as long as what is on offer in our shops and restaurants makes it so difficult for us to meet the dietary standards for healthy lifestyles.

Introducing a Multiple Retailers’ and Caterers’ Levy in Scotland

This Levy would tax the “health difference” between what we are sold and what we should be buying. It would be applied to the aggregate sales of large retailers and caterers, including all food and drinks rather than just unhealthy items. Large retailers and caterers would be required to report periodically on the nutritional composition of their sales. They would then pay a levy on the difference between their sales and the Scottish Dietary Goals set by Food Standards Scotland.

Who would this Levy apply to?

We envision this levy to be applied to the ten largest retailers and to catering brands that have multiple outlets in Scotland.

The ten largest retailers provide us with 97% of our groceries (see graph 1). They already collect the nutritional information of their sales, so this measure could be implemented at a reasonable cost.

Graph 1: Grocery Market Share (UK data)\(^\text{13}\)

We believe it is important that out of home food outlets are included too. While eating out accounts for ‘only’ around 12% of total energy intake, that food has a mean energy density (calorie content per gram) 30% higher than food eaten at home. Strikingly, less than 2% of foods eaten OOH were plain fruit and vegetable

\(^{13}\) Kantar WorldPanel: *Grocery Market Share*, December 2016
(excluding sandwiches, mixed salads (mainly dressed) and fruit juice). The former Food Standards Agency for Scotland described the situation as “the reality in Scotland is that many of the top food and beverage items consumed out of the home tend to be less healthy”.

Between 2014 and 2015, the number of purchases (meals or snacks) from OOH outlets increased by 3% in Scotland, which is higher than the UK average and any other European country. The proportion of food from Quick-Service Restaurants in particular has increased strongly in recent years.

The market share of independents out of home outlets in 2015 decreased by 1% to 49.5%. The remaining 50.5% are small and major brands. We propose that all medium and major brands are included in the Levy. It may not be possible to include small brands and independents caterers, at least not at an early stage, as they may not have the capacity to collect and process the necessary nutritional information.

**How?**

The Levy would be applied to the ‘health difference’ of a comprehensive range of nutritional components or foodstuffs, such as the ones below (see table 1).

Table 1: Comparison between the Scottish Dietary Goals and current actual consumption

<table>
<thead>
<tr>
<th>Nutrient</th>
<th>Revised Dietary Goals</th>
<th>Current consumption (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calories (energy density)</td>
<td>125 kcal / 100 g</td>
<td>175 kcal / 100g (total)</td>
</tr>
<tr>
<td>Fats (total)</td>
<td>35% of food energy</td>
<td>39.5% (total)</td>
</tr>
<tr>
<td>Saturated fat</td>
<td>11% of food energy</td>
<td>15.3% (total)</td>
</tr>
<tr>
<td>Free sugars</td>
<td>5% of food energy</td>
<td>ca. 13%</td>
</tr>
<tr>
<td>Previously Non-Milk Extrinsic Sugars (NMES)</td>
<td>Previously 11% of food energy</td>
<td>NMES: 14.1% of food energy (total)</td>
</tr>
</tbody>
</table>

14 Food Standards Scotland: *An Overview of the Out of Home Market in Scotland, 2016*


16 Food Standards Scotland: *Revised Dietary Goals for Scotland*, March 2016

17 Food Standards Scotland: *Estimation of Food and Nutrient Intakes from Living Costs and Food Survey Data in Scotland 2001-2014*, June 2016 (the data shown in the table is of the year 2014)

18 Defined by the Scientific Advisory Committee on Nutrition (SACN) in *Carbohydrates and Health*, 2015 as “All monosaccharides and disaccharides added to foods by the manufacturer, cook or consumer, plus sugars naturally present in honey, syrups and unsweetened fruit juices. Under this definition lactose when naturally present in milk and milk products is excluded.”
Table:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td>6g/person/day</td>
<td>6,8g/person/day (from groceries)</td>
</tr>
<tr>
<td>Dietary fibre</td>
<td>30g/person/day for adults (16+)</td>
<td>17g/person/day (from groceries)</td>
</tr>
<tr>
<td>Previously non-starch</td>
<td>18g/person/day</td>
<td>12g/person/day (total)</td>
</tr>
<tr>
<td>polysaccharide (NSP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruit and vegetables</td>
<td>At least 5 portions/person/day</td>
<td>3.4 portions/person/day (total)</td>
</tr>
<tr>
<td></td>
<td>Equivalent to 400g/person/day</td>
<td>Equivalent to 253g/person/day</td>
</tr>
</tbody>
</table>

Choices will need to be made on what should be included and what not. Nutrients that are expressed as a percentage of food energy will be easy to tax, while in the case of salt, fibre, or fruit and veg, which are expressed in weight per capita, calculating the ‘health difference’ will need to be based on estimates of the number of people the groceries or take away foods were bought for.

**Expected impact**

The two main objectives of this proposal for a Multiple Retailers’ and Caterers’ Levy are that this measure would

1. influence proportional food prices in favour of healthier foods and
2. incentivise large retailers and caterers to sell and promote healthier foods, both in what they decide to put on their shelves (including reformulation) and in their marketing strategies.

Distorted food prices are a crucial contributor to poor diets: healthier foods are three times more expensive than junk foods as a source of dietary energy and the price difference is growing. As a consequence of this Levy, it would be in the interests of retailers and caterers to increase the price of less healthy, calories-dense foods, while making fruit, veg, and other fibre-dense foods more attractive.

The second objective is the most important one. The top seven food brands spend a combined ten times more on marketing than the entire budget of the government’s leading healthy eating campaign. A staggering 58% of all food advertising is spent on confectionary and convenience food, while only 3% is spent on fruit, veg and pasta. The Levy would encourage retailers and caterers to – at least to some extent.

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19 Food Standards Scotland: *Food and Drinks Purchased Into the Home in Scotland*, January 2016
20 Defined by SACN as “All carbohydrates that are neither digested nor absorbed in the small intestine and have a degree of polymerisation of three or more monomeric units, plus lignin. Dietary fibre is to be chemically determined using the prevailing AOAC methods agreed by regulatory authorities”.
21 The recommendations for children are: 15g/day between 2 and 5 y.o., 20g/day between 5 and 11 y.o., and 25g/day between 11 and 16 y.o. The previous dietary reference value of 18g/day of NSP equates to about 23-24 g/day of dietary fibre if analysed using AOAC methods (SACN, 2015).
22 Fabian Commission: *A Recipe for Inequality*, 2015
23 Food Foundation: *Force-Fed: Does the food system constrict healthy choices for typical British families?*, 2016
extent – align their marketing efforts with the Scottish Dietary Goals in order to reduce the tax they are required to pay.

The proceeds from the Levy could be reinvested in healthy eating campaigns, Healthy Start or other health vouchers, cooking trainings in school kitchens, free healthy school meals, or other such things.

It is important to note that the Levy will need to be high for any of the above mentioned potential benefits to be fully realised. A recent study by Oxford researchers showed that a tax on beef and milk to reduce their consumption for environmental and health reasons would need to be as high as 40% to lead to the intended behavior change by consumers. They also recommended that such a tax be combined with subsidies for healthy foods\textsuperscript{24}. An adaptation period should be granted to the businesses included in the measures, so that the Levy starts at a low level and increases gradually over 5 years.

This Levy will of course not be a silver bullet. It should be part of a comprehensive package of measures, including regulation, to tackle malnutrition in Scotland. Furthermore, parallel measures will be needed to ensure that low-income households are not hard hit by this Levy; for example boosting the uptake of Healthy Start Vouchers, handing out healthy food vouchers subsidised with proceeds from the Levy, or providing more opportunities for urban food growing in deprived communities.

Such a levy would partly shift responsibility onto those who feed us to feed us better, and it would align the interests of food business with the national interest that people source a healthier diet for themselves and their families. While some argue that there is no such thing as an unhealthy food, there is, undeniably, such a thing as an unhealthy shopping basket. This levy would change the basket.

\textbf{Questions needing further research}

The proposal for a Multiple Retailers and Caterers’ Levy is still at a very early stage of development. More research is needed to answer questions such as

\begin{itemize}
  \item What nutrients or foodstuffs should the Levy be applied to for an optimal health outcome?
  \item What would be the optimal level of this Levy?
  \item How will it impact lower income households and individuals and how can this negative impact be mitigated?
  \item What other regulation and measures are needed to optimise the effectiveness of this Levy?
  \item What legal challenges could be brought against this Levy and how can the Levy be developed to prevent them?
\end{itemize}

We also have more fundamental questions, such as: is a Levy the best way to achieve the goals stated above, or would a revenue-neutral incentive be more adequate? We hope to have opportunities to research and discuss this proposal further in 2017 to determine the best way forward.

Nourish Scotland has been in contact with researchers at Oxford University to

\textsuperscript{24} Marco Springmann et al.: \textit{Mitigation potential and global health impacts from emissions pricing of food commodities}, 2016
investigate possible collaboration. We do not have the capacity to commission further research but are hoping to establish partnerships to take this proposal forward in coming months.