UK

THE UK'S SUGAR LEVY

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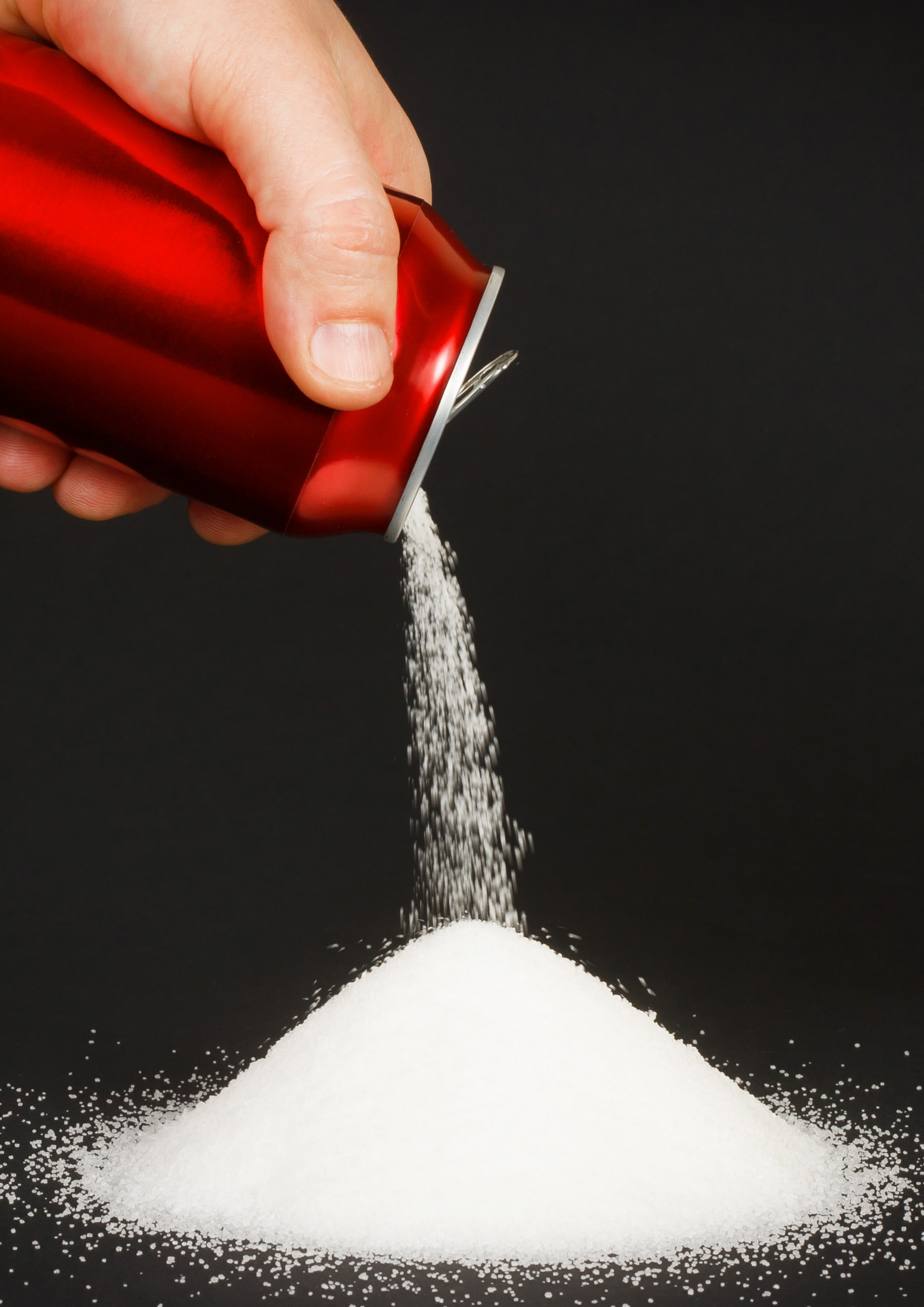


THE UK'S SUGAR LEVY

SUMMARY

- A two-tiered levy on the production and importation of sugary drinks will be introduced in the UK in 2018, with the policy intent that this will drive product reformulation and lower sugar consumption.
- The levy's design is significantly different from sugar and soda taxes found in other countries, which are largely imposed at the point of consumption. A number of concerns have been raised regarding the scope and design of the levy.
- Collaborative and cohesive public action from public health campaigners and others helped create a political environment in which it was politically acceptable to introduce a fiscal policy designed to support dietary change.
- Much of the political discourse around the introduction of the sugar levy has focused on the protection of children and young people, and the National Health Service's financial resources.

In the UK, our food environment is a major driver of our malnutrition crisis, and any serious attempt to tackle poor diets in the UK must take a systems approach to identify the policy levers that can help to incentivise the system to deliver healthy and sustainable diets

Poor-quality diets are part of a dysfunctional global food system that requires radical transformation to ensure that people are able to consume a healthy, nutritious and affordable diet throughout the year. The food environment we experience results from what is produced on farms, how it is processed, marketed and moved around the globe, and how affordable it is. In the UK, our food environment is a major driver of our malnutrition crisis, and any serious attempt to tackle poor diets in the UK must take a systems approach to identify the policy levers that can help to incentivise the system to deliver healthy and sustainable diets.

Glossary

COMMON AGRICULTURAL POLICY Shared agricultural policy of the European Union.

DEPARTMENT OF HEALTH (DH) The government department responsible for health and social care in the UK.

EXCISE TAX A sales tax imposed on products at the point of purchase

FOOD STANDARDS AGENCY (FSA) The FSA and its devolved partners are responsible for food safety and food hygiene across the UK. It was previously responsible for advising government on nutrition-related issues. In 2010, these responsibilities were transferred to DH and other governmental bodies.

GOVERNMENT The UK government is formed by Members of Parliament from the political party that commands a parliamentary majority (or a coalition of parties). The prime minister is head of the UK government. Government departments and their agencies are responsible for putting government policy into practice.

The UK is made up of four countries: England, Wales, Scotland and Northern Ireland. Following devolution in 1999, powers were transferred from the UK Parliament in Westminster to the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly, and policies in certain areas – including health, agriculture, education, the environment and local government – are determined by the devolved powers. However, the sugar levy has been designed to cover the entirety of the UK.

The UK Government is also still subject to laws and policies emanating from the European Union.

HM REVENUES AND CUSTOMS The agency of HM Treasury responsible for tax collection.

HM TREASURY The government's principle economic and finance department, maintaining control over taxation and, where not devolved, public spending.

LEVY Tax.

LOBBY Try to influence the work of government, parliamentarians or other policy influencers.

PARLIAMENTARY SELECT COMMITTEE Cross-party groups of non-governmental Members of Parliament charged with scrutinising the work of government. The Health Select Committee, for example, scrutinises the work of the Department of Health.

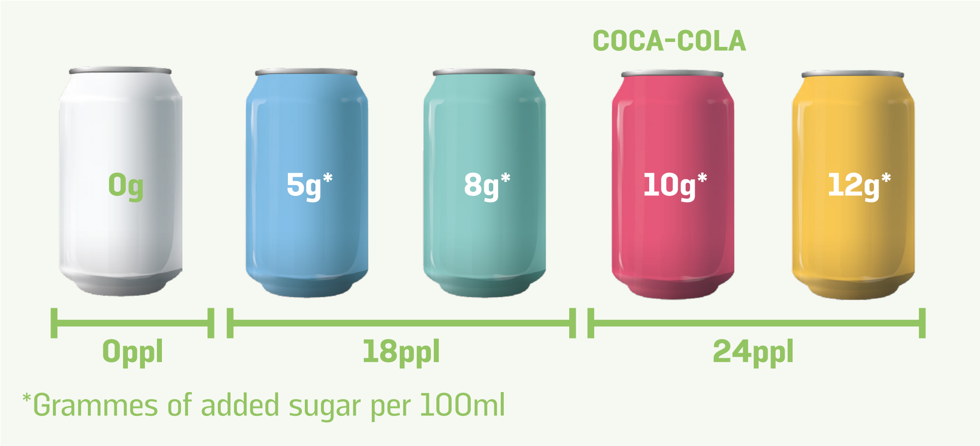
PUBLIC HEALTH ENGLAND (PHE) An autonomous executive agency of the Department of Health. It is charged with protecting and improving the nation's health and wellbeing, and reducing health inequalities in England only. It does this by stimulating policy conversations and advising the work of government.

REFORMULATION Changing the ingredients, or the ratio of ingredients, found in a food product.

THE POLICY

In March 2016, the UK government announced plans for UK-wide levy on sugar-sweetened beverages (SSBs) as part of its annual budget. The levy is due to come into effect in April 2018. The government intends the levy to encourage drink producers to reformulate and/or replace their product portfolios with less-sugary products, thereby encouraging producer-led behaviour change, rather than raised prices at the point of purchase.

The levy will be applied to producers (packagers or bottlers) and importers of SSBs, although the government does not intend to include unsweetened fruit juices, most milk-based drinks, alcoholic drinks and a range of other liquid products in the levy. A flat levy of 24 pence per litre (ppl) will be applied to drinks with more than 8 grammes (g) of added sugar per 100 millilitre (ml), with a lower rate of 18ppl applied to drinks with more than 5g of added sugar per 100ml. For comparison, regular Coca-Cola marketed in the UK contains 10.6g per 100ml (Smith, n.d.).



Producers will be required to test the content of their products on an annual basis, and the Treasury (HM Treasury) intends to introduce penalties and sanctions for those that do not comply with the scheme, including criminal prosecutions, civil penalties and the confiscation of goods.

The government originally expected to raise £520 million from the levy in its first year, with diminishing returns from the levy in subsequent years (£500 million in 2019–2020, and £455 million in 2020–2021), as producers and consumers adjust their behaviour (HM Treasury, 2016a)(Barber et al., 2017). However, the independent Office for Budget Responsibility has since estimated that the levy will raise only £380 million in 2018. Government has reported this as a success: an indication that policy has succeeded in changing the behaviour of manufacturers, therefore removing certain products from the scope of the policy, more quickly than anticipated (Barber et al., 2017)(HM Government, 2016).

Revenue for the levy will be allocated to schools in England to pay for physical education facilities, after-school activities and healthy eating initiatives including school breakfast clubs (Health Committee, 2017). The UK's devolved administrations will receive revenue from the levy through the standard calculation used to determine tax revenue distribution between the nations (HM Government, 2016).

A number of competing interest groups have attempted to influence how the government releases revenue from the levy. An independent group of MPs interested in 'holiday hunger' – meaning the reduced food access during school holidays for children normally entitled to free school meals – recommended in April 2017 that funding for the levy should be made available for local authorities to tackle this issue (APPG Hunger, 2017). This is an interesting development, as it links policies on household food insecurity and overweight and obesity – a relative rarity for the UK policy community.

STRENGTHS AND WEAKNESSES OF THE LEVY, AND POLICY SUGGESTIONS

Design of the levy

Most non-government organisations (NGOs), civil society organisations (CSOs), health bodies and campaigners cautiously welcomed the announcement of the proposed sugar levy, arguing that, if nothing else, it provided a sign that the government was prepared to pursue interventionist policies to secure the public's health (Barber et al., 2017).

However, the levy is not the excise tax imposed at the point of purchase that most public health campaigners had previously advocated for and that has been applied in a range of other countries (see below). The government instead expressly intends for the sugar levy to drive reformulation.

However, the government has left industry to decide exactly how it reacts to the new levy. This leaves open a space for unintended consequences. Producers *could* decide to reformulate their products, or shift to the production of lower-sugar alternatives, as a result of the sugar levy. Indeed, there are early indications of this, with Lucozade Ribena Suntory and others having announced plans for new sugar-reduction strategies (Barber et al., 2017). However, product reformulation is costly and retailers *could* decide to absorb the costs of the levy, or elect to pass costs onto consumers through raised prices. If producers did this through the targeting of higher-sugar drinks to produce a price differential at the point of purchase, this could elicit positive behaviour change on the part of consumers as has been the case with other taxes on SSBs imposed internationally (see below). However, if producers were to pass costs onto consumers evenly across their full drink portfolios – raising prices on SSBs and non-SSBs alike – there would be no incentive for consumers to switch to low-sugar alternatives (ECORYS, 2014).

An econometric modelling study, published in The Lancet in December 2016, assessed the public health implications of three hypothetical industry responses to the imposition of the sugar levy: reformulation (e.g. the strategy apparently being pursued by the manufacturers listed above), price rises at the point of consumption and the promotion of low- and medium-sugared drinks at the expense of 'classic' product lines. The modelling suggests the first scenario would elicit the greatest societal health effects over the medium term in terms of obesity rates and the prevalence of type 2 diabetes and dental issues. The government's intent for the levy – to drive forward reformulation on the part of industry – appears, therefore, to be warranted. However, without a forcing mechanism, this outcome is not guaranteed (Briggs et al., 2017). At the very least, robust independent monitoring of the levy's implementation needs to be conducted to assess what impact it has on manufacturers' behaviour.

Further challenges have been raised with the design of the levy. For example, the two-tier but otherwise flat levy means that the tax per gram of sugar is actually lower for the most highly sugared products on the market. An alternative approach would be to utilise a constant or increasing tax per gram of sugar/100ml to ensure the highest sugared products are subjected to the highest levy (Smith, 2016).

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Scope of the levy – exclusion of products

In its plans laid out in the 2016 Consultation, HM Treasury indicated that it had considered a number of potential loopholes to the levy and described how it plans to shut these down. For example, HM Treasury has indicated that it intends to collect levy payments for products given away for free through marketing operations.

However, a wide variety of highly sugared products will remain outside the scope of the levy. Government, for example, has excluded sugar-sweetened milk-based drinks from the levy where they contain at least 75% milk. This is justified on the fact that milk-based products are an important source of protein, calcium, potassium and various other vitamins and micronutrients.

Over 90% of products in the flavoured milk market (worth £280 million (AHDB, 2016)) contain 90% milk, meaning the majority of this growing market is effectively excluded from the levy despite the fact that many such drinks have a total sugar content in excess of 5g/100ml derived from both natural lactose sugars and added sugars.

This approach has been criticised by many, including the cross-party House of Commons' Health Select Committee (Health Committee, 2017). An alternative approach to implementation would be to align the sugar levy with the government's school food standards. These standards regulate what can and cannot be sold in state schools, and currently ban milk-based drinks with over 5% added sugar.

International taxes on SSBs

In October 2016, the United Nations' World Health Organisation recommended that states should develop taxes on sugar-sweetened beverages, having drawn conclusions from the academic literature that price rises at the point of consumption can help secure population-level reductions in consumption (WHO, 2016).

As described in Table 1, a number of countries have already introduced health-related taxes on SSBs and food and beverages high in fat, salt and/or sugar (HFSS). Taxes on SSBs – still utilised by a only small minority of states worldwide – have tended to be applied at the point of purchase, through an excise tax. Rates have usually been applied on a volumetric basis (i.e. rates applied on a specific quantity of sugar per litre) rather than through value added taxes or other ad valorem taxes (i.e. applied on the total cost on the product). The former tend to have a greater price impact on multipacks and cheaper 'own brand' products.

Table 1: Health-related food and beverages taxes

Country	Year	What are taxed	Type of tax
Hungary	2011-	HFSS Food, SSBs	Excise
Denmark	2011-2013	Products with +2.3% saturated fat	Excise
France	2011-	SSBs	Excise, adjusted annually to inflation
Finland	2011-	SSBs, sweets, ice cream	Excise, with gradual increases
Mexico	2015-	SSBs, high-calorie foods	Excise & VAT
Portugal	2017-	SSBs	Excise
Ireland	2018-	SSBs	To be consulted. Tax likely to be applied on production and importation rather than at the point of consumption (i.e. excise)

(Cornelsen & Carriedo, 2015)

The citation of these international examples has been used extensively by proponents advocating and subsequently defending proposals for a UK SSB tax (Obesity Health Alliance, 2017b). However, the levy introduced by government differs significantly from models developed elsewhere, with the government hoping that no costs will be passed onto the point of purchase at all. This is despite the fact that evidence from Mexico – the most thoroughly evaluated of the above examples – and elsewhere indicates that sugar taxes are effective vehicles of change when there is a price difference at the point of purchase impacting consumer, as well as producer, behaviour (Colchero, Popkin, Rivera & Ng, 2016; Cornelsen & Carriedo, 2015; Public Health England, 2015a)

Government currently recommends limiting fruit juice consumption in its public-facing dietary advice, but its exclusion from the levy could encourage consumers to switch from SSBs to the consumption of excess fruit juices

Candy sprays – liquids dispensed through aerosol mechanisms – are also expected to be excluded from the levy, as are dissolvable powders (such as chocolate milk powder). This is despite the fact that these products are routinely marketed to young children, often by manufacturers of SSBs, allowing for the development of brand loyalty among young consumers. HM Treasury also intends to exclude liquid flavourings, such as syrups added to coffee drinks, from the levy, justifying this on the grounds that it would complicate administration, as such products bear similarity to non-drinking products such as golden syrup (HM Treasury, 2016b).

Other products, while contained within the scope of the levy, are due to be administered in a manner that could allow for the avoidance of payments. Concentrated, dilutable liquids are currently expected to be levied on the basis of their ready-to-drink composition. That means, for example, that one litre of a 'bag in the box' syrup (which is regularly used in the catering and hospitality industry), with instructions to dilute in four litres of water so as to produce five litres of drink, will be levied as if it were a five-litre drink. HM Treasury intends to issue evidence-based guidance on what it considers to be the standard dilution ratio of such products and intends to require producers to pay the levy at the standard dilution ratio where it believes industry-set dilution ratios are designed to avoid the levy. However, HM Revenues and Customs is due to lose a third of its jobs by 2021, potentially limiting its ability to combat this and other avoidance and evasion strategies (Swinford, 2016).

The exclusion of unsweetened fruit juices from the levy is also potentially problematic. Government currently recommends limiting fruit juice consumption in its public-facing dietary advice, but its exclusion from the levy could encourage consumers to switch from SSBs to the consumption of excess fruit juices. The exclusion of fruit juices and milk-based products also offers an opportunity, currently being considered by the drinks industry, to legally challenge the policy on account of unfair competition (Bunn & Barn, 2016).

Even disregarding these exclusions and potential loopholes, some argue that the levy does not go far enough. By taxing SSBs but not other HFSS products, the levy could result in consumers substituting SSB products for other unhealthy food and beverages. Proponents of this view have argued that fiscal measures should be applied to a wider range of products (Bunn & Barn, 2016).

Scope of the levy – exclusion of producers

HM Treasury intends to exclude small operators from the levy on the grounds that the administrative costs needed to collect the levy would outweigh receipts. This is the same approach taken across the UK's business tax regime despite the fact that the SSB levy is designed as a public health intervention rather than a 'regular' revenue-raising instrument.

This 'small operators scheme' could encourage producers to fragment into legally distinct business units to avoid obligations under the levy. HM Treasury is confident that it should be able to adapt anti-fragmentation measures found elsewhere in the tax system (e.g. within UK's Beer Duty regime) to avoid this practice. This small business exclusion could also offer an incentive for retailers and others to import untaxed drinks from abroad – with retailers operating as small importers – thereby allowing unlevied SSBs to enter the market. HM Treasury again intends *to explore a full range of legislative and operational countermeasures* to prevent this practice (HM Treasury, 2016b).

Alignment with other policies

The sugar levy cannot be expected to function as a silver bullet, driving population-level decreases in sugar consumption alone. Complementary policies to support the shift to healthier diets are also needed to drive down obesity.

The sugar levy does feature within the government's Childhood Obesity Plan, published in August 2016. However, health campaigners, medical experts and Members of Parliament have criticised this much-delayed document (Health Committee, 2017), which appears to have been heavily watered down before publication. Bans on the TV advertising of unhealthy food prior to 9pm and limitations on HFSS food promotion at the point of sale – which were included in earlier, leaked drafts of the Plan – were not included in the final document (see our accompanying publication for an overview of the UK's policies surrounding the advertising of food and drinks high in fat, salt and sugar).

A new national reformulation programme to remove sugar and calories from food products contained within the Plan will by driven through voluntary targets, set by PHE in parallel to the levy (Government, 2016). This reformulation programme, which challenges the industry to reduce sugar in product categories routinely consumed by children by 20% by 2020, was designed with reference to the sugar levy. PHE identified the nine product categories that, in addition to SSBs, contributed the most sugar to children's diets for inclusion in the programme. Moreover, government justifies the exclusion of milk-based product from the sugar levy in part because this product is included in the reformulation programme. However, while the programme is ambitious, the government has not given PHE any enforcement mechanism to ensure compliance from manufacturers and retailers, nor has it specified what alternative legislation would look like if this approach fails to elicit change (Caraher & Perry, 2017).

Furthermore, the sugar levy is not currently aligned with upstream fiscal measures. Parliamentary researchers predict that the 2017 reforms to the Common Agricultural Policy of the European Union will lead to a fall in the commodity prices of sugar (Bunn & Barn, 2016), potentially negating the financial incentive to reformulate offered by the levy. Likewise, the UK's current VAT regime – currently difficult to change as it is governed in Brussels – is not well aligned with delivering better health outcomes. SSBs are currently subject to the UK's Value Added Tax (VAT). Some other, less-healthy products such as confectionery and crisps are also subject to VAT – as are some healthier products such as mineral water and fruit juices – while a range of HFSS products are exempt. While the government does not intend to use the levy to impact on prices at the point of consumption, this lack of alignment could limit consumers' inclination to switch from SSBs to healthier products *if* prices were passed on by producers.

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Tackling inequalities and the social determinates of ill health

Whether the UK's SSB levy, and sugar taxes more generally, are examples of regressive fiscal policies – those that widen societal inequalities – is open to interpretation. If the cost of a sugar tax is passed onto consumers at the point of purchase, it would likely be financially regressive, costing lower-income households a greater percentage of their household income. This effect could be particularly pronounced in countries such as the UK where SSB consumption is higher among lower-income households. Likewise, by imposing a two-tier but otherwise flat levy, one could forward the argument that the UK's proposals would be particularly financially regressive if costs were passed onto consumers in that a cheaper discount or 'own brand' soda will attract a percentile price increase far in excess of a premium-range soda such as Coca-Cola. Such arguments have been voiced with vigour by opponents of the levy (Snowdon, 2016).

However, advocates of sugar taxes, including the Faculty of Public Health and the Centre for Diet and Activity Research, have argued that point-of-sale sugar taxes are progressive when one focuses on health outcomes (Campbell, 2016), with lower-income groups deriving disproportional benefits from the intervention due to their higher risk of diabetes, cancer, obesity, stroke and other non-communicable diseases.

Impact on the public discourse

Anecdotal evidence suggests that the debate around the sugar levy has left the public more knowledgeable about the role of sugar in diet and that this alone may produce a 'halo effect' of reduced sugar consumption over the short to medium term. Since the SSB levy's introduction, additional far-reaching public health interventions have been introduced by a range of stakeholders to limit sugar consumption, potentially emboldened by the example set by the levy. For example, the National Health Service (NHS) has delivered an ultimatum to its on-site retailers that SSBs will be banned from the NHS estate unless voluntary actions are taken to reduce sales (NHS England, 2017). However, it has been argued that this public debate could overly focus the public's attention on the role of sugar in the diet, potentially drawing attention away from other important nutrients (Anderson et al., 2016) or the impact of excess consumption of ultra-processed foods on health.

POLICY HISTORY

The fact that this levy is being introduced at all, let alone by a government widely regarded as being anti-tax and anti-regulation, requires examination.

As recently as 2012, both the currently governing Conservatives and the Labour Party – the largest opposition party in Westminster – argued that proposals to simplify the UK's Value Added Tax (VAT) treatment of hot takeaway food, so as to ensure all such products were taxed at 20%, represented the worst aspects of the 'nanny state'. While this policy proposal was not linked to public health concerns, it demonstrates to the potential resistance to fiscal public health initiatives. Indeed, as late as 2014, both the major parties stated they had no plans to tax SSBs (Cornelsen & Carriedo, 2015). This section explores how the sugar levy come to the fore in this hostile political environment.

In part, the sugar levy was born out of the failure of voluntary approaches to food policy. Between 2011 and 2015, government attention on improving the public's dietary health was largely channelled through the *Public Health Responsibility Deal Food Network*. This was a voluntary group consisting of government, food retailers, caters and manufacturers, health groups, professional bodies and other interested stakeholders. The group was 'challenged' to reduce calorie (although not sugar) consumption through product reformulation, reduced package sizes and other voluntary actions.

However, independent evaluations of the Responsibility Deal have found that it only secured safe and easily deliverable commitments from the food industry, failing to elicit action that went beyond 'business as usual' (Knai et al., 2015). With voluntary actions failing to secure substantive change on the part of the industry, many stakeholders turned to champion more prescriptive approaches to regulation.

Simultaneously, NGOs and CSOs have systematically worked to build public and political support for the implementation of a tax on SSBs. Since 2013, the Children's Food Campaign, which is supported by over 100 groups, has worked closely with academics, health practitioners and policy experts to produce a high-quality, peer-reviewed case for fiscal action. Health bodies also played an influential role. More than 60 public health organisations and medical professional organisations called for a tax on sugary drinks prior to the government's announcement (HM Treasury, 2016a).

Individual health campaigners – such as celebrity chef Jamie Oliver – have likewise campaigned for policy change in the public arena. For example, by imposing a voluntary 'sugar tax' on his own restaurants, Oliver set a precedent for the levy. In addition, the Jamie Oliver Food Foundation's promotion of the 'Sugar Smart Cities' campaign, run in partnership the UK's Sustainable Food Cities Network of local cross-sector food partnerships, helped introduce and then normalise the notion of using a raft of fiscal and non-fiscal approaches to curb excess sugar consumption in the UK (Sugar Smart, n.d.).

Evidenced-based recommendations from formal advisory groups, appointed by government, have also helped produce a political environment conducive to action. In 2015, the Scientific Advisory Committee which advises the government on health and nutrition (SACN) advised that free sugars should contribute no more than 5% of total dietary energy. The government accepted this recommendation and has started to officially integrate it across public health campaigns. For this target to be achieved, substantial population-level reductions in sugar consumption needs to occur (SACN, 2015). In 2015, government data suggested that 87% of adults, 99% of secondary school children and 100% of primary school children exceeded this recommended level, with sugar contributing an average of 12%, 16% and 14% of each age groups' respective energy intakes (Food Foundation, 2016).

Subsequently, Public Health England (PHE) – an independent executive agency of the Government's Department of Health – recommended that SSBs should be minimised in the diets of both adults and children. This was an unprecedented intervention: before and since, PHE has only made such recommendations on toxicological grounds. In this same report, PHE compiled an evidence-based shortlist of eight high-priority policy levers that could be used to achieve population-level reductions in sugar consumption as per SACN's recommendations. This list included a tax on SSBs and other high sugar products, so that prices at the point of purchase are raised by 10–20%. Reviewing international literature, the paper found that:

"It is likely that price increases on specific high sugar products like sugar sweetened drinks, such as through fiscal measures like a tax or levy, if set high enough, would reduce purchasing at least in the short term" (Public Health England, 2015b).

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The UK Parliamentary Committee system has also played a key role in shifting the government's policy priorities. The Health Select Committee's report on childhood obesity put forward a strong case for the government to take 'brave and bold actions' to tackle childhood obesity, including a tax on SSBs (Health Committee, 2015). Influential members of the Committee, and other parliamentarians, went on to campaign for sugar levy in Parliament and through the press, helping to build public awareness and support for the levy. The UK's devolved parliaments have also helped generate demand for a fiscal approach to tackle overweight/obesity, with two of the main parties in the Welsh Assembly supporting plans for a sugar tax in 2015 (WalesOnline, 2015).

Reports emanating from the research community have likewise had a significant impact on the political discourse, building demand for new policy action on obesity and focusing attention on SSBs as a key product of interest. A much-cited report from the McKinsey Global Institute, published in 2015, highlighted how 5% of the NHS's total budget (£6 billion) was spent on the treatment of overweight and obesity (McKinsey Global Institute, 2014). High-quality analyses and meta-analyses from the UK and further afield have likewise demonstrated that habitual consumption of SSBs leads to increases in body mass index for children and adolescents, and increased risk of type 2 diabetes, while SSBs themselves have been shown to provide poor satiation effects while offering no nutritional value (de Ruyter, Olthof, Seidell, & Katan, 2012; Malik, Pan, Willett, & Hu, 2013). This further focused policy attention on this product category, while widely cited econometric modelling – which has anticipated that a 20% tax of SSBs at the point of purchase could reduce obesity rates by 1.3% – was used extensively by proponents of a sugar tax (Briggs et al., 2013).

These evidence-backed calls for a fiscal response to obesity, widely picked up by the media, helped secure high levels of public support. Some polling suggested a majority of the public supported proposals for a 'sugar tax' prior to the government's commitment (Bunn & Barn, 2016). Indeed, multiple opinion polls have been commissioned, both by proponents and opponents of SSB taxes to build their respective cases (Obesity Health Alliance, 2017b)(Obesity Health Alliance, 2017a). With revenues from tobacco and alcohol excises already contributing around 4% of the UK's total tax revenue as of 2011 (Sassi & Belloni, 2014), a publicly acceptable proposal for a revenue-raising tax must have been highly attractive to government.

The levy was introduced to Parliament through the *Finance (No 2) Bill 2017*. Due to the Conservative government's calling of a snap election in April 2017, there was a risk that the sugar levy would not survive the parliamentary wash-up period – where contentious bills are streamlined to ensure their passage into law towards the close of a parliament's sitting. However, following renewed calls for the prioritisation of the levy from public health practitioners and the third sector, the levy passed through the Houses of Parliament as part of the Finance Bill in April 2017.

Political narratives around the sugar levy

Proponents of a SSB tax have repeatedly drawn on two narratives in developing their cases for action.

Protecting children and young people

In the UK, commentators that perceive government actions as encroaching on personal choices and the 'personal domain' are quick to label the sugar levy as an example of the 'nanny state'. Despite good evidence that the public can be extremely supportive on population-level interventions aimed at changing individuals' private behaviour (Jochelson, 2003), this parlance – drawing on the conservative and economic liberal traditions – is regularly utilised by the UK's media and political commentators with great effect.

Perhaps in reaction to this, much of the case for fiscal action has focused on the experiences of children and young people. Accusations of 'nanny statism' appear to hold less credence when the government is explicitly acting in the interests of youngsters who lack the resources and capacity to act as the rational agents. Indeed, many of the recent major public health interventions the UK have been focused on the interests of children and young people (School Food Plan, 2015). So, while PHE's groundbreaking report recommended that SSBs should be minimised in the diets of *both* adults and children, this publication did much to focus policy attention on SSBs as opposed to other product categories by highlighting data that demonstrated that soft drinks are the largest single

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source of sugar for 11-18-year-olds (Public Health England, 2015a). This focus on children and young people has also been shared by parliamentarians, with the Commons Health Select Committee focusing their attention on levers with which to reduce childhood obesity:

"Whilst interventions to reduce calorie intake are likely to benefit all ages, we urge the Government to ensure that the strategy includes measures targeted to deliver the most benefit to children and young people and especially those at greatest risk" (Health Committee, 2015).

While such language has not entirely prevented accusations of 'nanny statism', it is not surprising that the government, reacting to these reports and the campaigns of civil society– have taken an explicitly child-centred approach to their messaging introducing the SSB levy and other public health actions:

"We are introducing the levy on the industry which means that companies can reduce the sugar content of their products, as many already do. It means that they can promote low-sugar or no-sugar brands, as many already are. They can take these perfectly reasonable steps to help with children's health" (Barber et al., 2017).

Protecting public spending

Another key argument used consistently to justify the SSB levy is the cost of obesity and associated non-communicable diseases on the UK's public healthcare system, and the wider economic impact of poor health. Public health professionals who have advocated for an SSB levy have pointed to the NHS's high obesity-related spending, and the economic costs of ill-health borne out of "*lost productivity, unemployment, early retirement,and associated welfare benefits*" when forwarding the case for a SSB levy (Obesity Health Alliance, 2017b).

Countering opponents of the sugar levy

Both prior to and following the government's announcement of the sugar levy, the mainstream drinks industry has consistently pushed back against fiscal public health proposals. Their arguments have largely focused on expected short-term economic impacts facing the industry, rather than long-term costs for consumers and the public purse. The British Soft Drinks Association has cited the threat of UK job losses (4,000 according to their commissioned research) as a reason to resist sugar taxes (Oxford Economics, 2016), while the Food and Drink Federation, representing organisations including Coca-Cola, Pepsi and Tango, have argued that government should halt the development of their proposals due to the uncertainties created by the UK's vote to leave the European Union (Food & Drink Federation, 2017).

Opponents have also raised further concerns with the SSB levy, in that it singles out SSBs in comparison to other product categories – leaving the levy subject to competition complaints – and elevates sugar as a key nutrient of societal concern, thereby ignoring other causes of diet-related ill health (Barber et al., 2017).

In addition to discussing these issues in the media, there is evidence that the drinks industry invested large sums of money to directly lobby parliamentarians and challenge the academic grounds for a SSB levy. The Children's Food Campaign estimating that in September 2016 alone several hundred thousand pounds were spent on such efforts (Clark, 2016).

These mirror the historic strategy of the tobacco industry. Indeed, there appears to be significant overlap in the UK between obstructive lobbyists resisting tobacco controls and the sugar levy. The Institute for Economic Affairs (IEA) – a UK think tank that has received tobacco funding for decades – has been a vocal opponent of not only the proposed sugar levy (Clark, 2016). The IEA has also helped craft new policy proposals that would prevent academics and NGOs from using public grants to influence the development of public legislation and/or regulation (NCVO, 2015). These proposals would seriously limit publicly funded public health professionals from feeding into the development of the sugar levy and other public health policies.

Media commentators have also highlighted the role of 'astroturfing' in the pushback against proposals for a sugar tax. Respected periodical *Private Eye* has highlighted how the Executive Board of the ostensibly grass roots 'People Against Sugar Tax' campaign contains former political chiefs of staff and corporate lobbyists (Private Eye, 2016). Other industry-influenced groups have been vocal in both traditional and social media. For example, the loudest voice in a 'day of action' against the sugar levy declared by 'independent retailers' was a senior executive from Coca-Cola (Clark, 2016).

Proponents of the levy have actively worked, using social research and investigative journalistic techniques, to expose these strategies (Mason, 2016). This task was made easier by organisational collaboration between a diverse group of pro-intervention stakeholders. Through transparent coordination bodies, notably the Obesity Health Alliance – a coalition of 40 organisations that have joined together under a common platform of preventing obesity-related ill health – campaigners have been able to align and bolster one another's research and campaigning activities (Obesity Health Alliance, 2017).

The loudest voice in a 'day of action' against the sugar levy declared by 'independent retailers' was a senior executive from Coca-Cola

KEY ISSUES TO CONSIDER

Policymakers considering regulation or other actions in this area should consider the following:

- What key nutrients of concern should be subject to fiscal measures?
- What key product categories of concern should be subject to fiscal measures?
- How could revenues raised by fiscal measures best be allocated to support public health goals?
- Should fiscal measures be placed on producers at the point of production or import, or consumers at the point of purchase?
- Should fiscal measures be demonstrably progressive a) financially, and/or b) in terms of public health outcomes?
- Should fiscal measures be designed to elicit price differentials between healthier and less-healthy products, to drive reformulation, or other behaviour change from producers and/or consumers?
- How could public policy measures enhance or limit the population-level dietary impact of fiscal measures?

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