

HEALTH AND OBESITY: A TAXING PROBLEM?

David Cameron is famously a fan of nudging. The prime minister favours the so-called "nudge theory" – using a subliminal carrot rather than a legislative stick – when it comes to encouraging people to do the right thing, such as eating well, exercising and avoiding smoking.

Or so we thought.

Despite being a self-professed follower of the famous theory defined by Richard Thaler and Cass Sunstein, Cameron and the coalition are said to be considering a different tack when it comes to reining in Britain's consumptions of salt, sugar and saturated fat.

England's number one has suggested that the Government may have no option but to impose legislation that serves to clamp down on the more unsavoury aspects of our national diet, as nudging may not be enough to get the job done against ever-rising UK obesity figures, which some experts are calling an epidemic, and at a time when many of our Western neighbours in Europe are looking at similar so-called "fat taxes".

Cameron may have been thinking out loud – and he does have form for shooting from the lip – but latest figures suggest more than 60% of adults in Britain are now overweight or obese, and 28% of children between the ages of two and 10 are overweight or obese. The Health Survey for England – drawing on data from 2009 – suggests that if current trends continue, as much as 60% of the population will be "morbidly obese" by 2050.

Obesity is not just a UK problem. In the past 30 years rising living standards, an ever progressive and systemised food chain plus the partial switch of our economy to service industries (too many of us now sit at desks for a living) across the Western world has also been accompanied by expanding waistlines – we have all literally got fat off the land. Establishing what needs to be done in terms of public policy is something to which all Western Governments seem to be devoting considerable time.



Denmark has become the first Western European country to introduce an out-and-out fat tax. It has imposed a levy of 16 kroner – about £1.90 – per kg (2.2lb) of saturated fat in food products. This will add about 26p to the price of a small packet of butter and about 10p to the price of a burger. At the same time, many other developed countries are readying their own legislation. Hungary has already introduced levies on foods high in calories and low nutrients, while other countries including Australia, Finland, Holland and New Zealand reportedly plan to follow suit. France is set to go the way of some American states in introducing a tax on sugar-heavy carbonated soft drinks.

In the wake of these steps, Cameron has said it might be time that Britain does likewise.

Certainly if there is a link between nutritional awareness and consumption – which seems a reasonable assumption – there does appear a problem. A poll of 3,000 people carried out by Fourth Hospitality has unearthed some rather startling findings, such as the fact that 56% of those polled said that pizza was healthy if it was topped with certain vegetables or fruits (tomato, spinach, peppers, rocket, pineapple). More than 20% of those surveyed thought ham, egg and chips was 'fairly healthy', and over 20% thought that pizza was 'fairly healthy' – regardless of toppings. A third thought sausage and mash was healthy.

What is clear from the research is that while a good proportion of the population were well-enough equipped to answer what were fairly basic questions – albeit with a few anomalies such as the pizza topping poser – a surprisingly high proportion of what was a robust sample demonstrated a real lack of knowledge over what is good for us to eat and what is not. Broadly speaking two-thirds to three-quarters could answer fairly accurately and the rest could not.

At the same time two-thirds of those polled said that restaurants and eating-out groups had their part to play by providing diners with nutritional information.

While the UK's biggest restaurant group McDonald's has followed others such as Harvester, Pizza Hut and YO! Sushi in pressing ahead with calorie disclosure, it is clear that many restaurateurs and multiple-site operators understandably hate the idea of calorie disclosure, especially on menus. A trip to a full-service or casual-dining restaurant is not like buying weekly groceries and for many remains a treat, one that could be diminished or sullied by an overt reminder of how many calories a favoured dish contains. It is not something that many operators believe their customers want.

However, for fast-food companies like McDonald's, which has higher visitor frequency and is more akin to a 'refuel' purchase, there is perhaps a more valid argument on the need for nutritional information. Certainly the fast food sector is seen as a target for the health lobby amid suggestions that the effects of obesity cost the NHS £21.5bn per year. The Royal College of Paediatrics and Child Health says that the consumption of unhealthy food should be placed on a par with smoking and binge drinking in terms of its impact on long-term health. Local authorities are also entering the fray – against the backdrop of a significant local obesity challenge, Oldham is contemplating a fat tax on its 250 takeaway outlets.

With more consumers seemingly calling for nutritional information and both local and central Government paying increasing attention to the nation's waistline, it seems the pressure may increase on food companies to provide both nutritional information and healthier options.

Insights from calorie disclosure on menus in New York and here in the UK suggest that calorie disclosure does impact people's behaviour around the margins – but not as much as perhaps expected – or as much as consumers suggest. In a six-month test at the 181-strong Harvester chain, diners on average purchased dishes with 25 fewer calories.

Any legislative moves to combat health issues and obesity would certainly mark a departure from the coalition's current approach which is based on partnership between public, private and voluntary organisations – and the absence of legislation – as illustrated by the wide-reaching "Responsibility Deal". But what we eat, what we burn off and how the shape of future public health policy impacts the eating-out market is clearly one of the big issues of the day, and one that is growing in importance.

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