

News story: Soft Drinks Industry Levy comes into effect

From Friday (6 April 2018), millions of children across the UK will benefit from the government's key milestone in tackling childhood obesity, as the Soft Drinks Industry Levy comes into effect.

The tax on soft drinks, commonly referred to as the 'Sugar Tax', has already resulted in over 50% of manufacturers reducing the sugar content of drinks since it was announced in March 2016 – the equivalent of 45 million kg of sugar every year.

Soft drinks manufacturers who don't reformulate will pay the levy, which is expected to raise £240 million each year. This money will go towards doubling the Primary Sports Premium, the creation of a Healthy Pupils Capital Fund to help schools upgrade their sports facilities, and give children access to top quality PE equipment.

The levy will also give a funding boost for healthy school breakfast clubs.

Exchequer Secretary to the Treasury, Robert Jenrick MP visited the Lucozade Ribena Suntory factory today (5 April 2018), which has led the way in reformulating its drinks alongside the likes of Tesco and Irn Bru.

He commented:

The Soft Drinks Levy is one part of our plan to tackle childhood obesity. From Friday, soft drinks which contain too much added sugar will need to pay a fee.

All revenues raised through the levy will directly fund new sports facilities in schools as well as healthy breakfast clubs, ensuring children lead healthier lives.

We want to persuade manufacturers to reformulate their drinks and lower the sugar content. In the time between announcing this policy and it taking effect today, more than half of all soft drinks have been reformulated to lower the sugar content, including many of the best known soft drinks. We hope that will continue in the months and years to come.

In England alone, a third of children are obese or overweight when they leave primary school, and evidence shows that 80% of kids who are obese in their early teens will go on to be obese adults.

Public Health Minister, Steve Brine MP remarked:

Our teenagers consume nearly a bathtub of sugary drinks each year on average, fuelling a worrying obesity trend in this country. The Soft Drinks Industry Levy is ground-breaking policy that will help to reduce sugar intake, whilst funding sports programmes and nutritious breakfast clubs for children.

The progress made so far on our obesity plan is promising—but with one in three children still leaving primary school overweight or obese, we have not ruled out doing more in future.

Notes to Editor

- The aim of the Soft Drinks Industry Levy is to encourage companies to reformulate their soft drinks. Since the levy was announced two years ago, the expected amount of revenue has gone down from £520m in Year 1 to £240m. Even before coming into effect, the levy is already working – over 50% of manufacturers have reformulated their drinks
- Even if revenue from the levy declines, funding for schools and children will stay the same
- The rates companies will need to pay are as follows:
 - 24p per litre of drink if it contains 8 grams of sugar per 100 millilitres
 - 18p per litre of drink if it contains between 5 – 8 grams of sugar per 100 millilitres