



## ACS Submission – Healthy Weight: Healthy Wales

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the Welsh Government's consultation on their Healthy Weight: Healthy Wales plan. ACS is a trade association, representing over 33,500 convenience retailers across the UK. Members include the Co-Op, One Stop, Costcutter, Spar UK and thousands of independent retailers. There are 2,923 convenience stores in Wales employing almost 23,000 people<sup>1</sup>. For more information about ACS and the convenience sector, please see Annex A.

Convenience retailers provide range of grocery products and services to their local communities. There is a significant variety of products offered in-store, with chilled foods one of the most popular categories in the convenience sector, representing 13.6% of total sales<sup>2</sup>. Fruit and vegetables represent 4.3% of sales in the convenience sector and canned and packaged grocery represents 7.2% of sales<sup>1</sup>. Convenience retailers continue to adapt the range of products sold in store to keep up with consumer demand. Polling of convenience retailers in Wales found that 18% had increased the amount of fruit and veg in stores compared to the previous year<sup>3</sup>. ACS is also supportive of Healthy Start and has developed an animation to encourage more retailers to accept Healthy Start Vouchers<sup>4</sup>.

Convenience retailers have an important role to play in promoting healthy eating and ensuring that healthy products are available for customers and the industry wants to align with the Welsh Government's ambitions to reduce childhood obesity. However, we do not believe the proposed restrictions on the in-store environment, particularly the restrictions on the location of products in-store would be effective in reducing obesity. Especially when there is limited evidence to suggest that these measures will improve public health<sup>5</sup>. Instead, we believe these restrictions would only place onerous operational burdens on smaller retailers.

We would welcome further engagement with the Welsh Government as they consider measures to reduce obesity in Wales. For more information about this submission, please contact Julie Byers, ACS Public Affairs Manager by emailing [Julie.Byers@acs.org.uk](mailto:Julie.Byers@acs.org.uk) or calling 01252 515001.

#### **4. Do you agree that the proposals set out in HE1- HE5 would make our food and drink environment healthier?**

*HE1 – Supporting Welsh business to reformulate and to develop healthier food choices.*

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<sup>1</sup> ACS Welsh Local Shop Report 2019

<sup>2</sup> ACS Welsh Local Shop Report 2019 (refers to sales value not volume of sales)

<sup>3</sup> ACS Voice of Local Shops survey August 2018

<sup>4</sup> [ACS Advice: Healthy Start](#)

<sup>5</sup> [University of Stirling - Identifying and Understanding the Factors that can Transform the Retail Environment to Enable Healthier Purchasing by Consumers](#)

We support work to encourage manufacturers to reformulate their products and to develop healthier food choices through voluntary programmes such as Public Health England's sugar reduction and calorie reduction programmes. Careful consideration must be given to the use of further taxation powers if the scale and pace of change by industry is not sufficient would be effective. Taxation is a blunt instrument impacting all consumers and it is unclear how it would impact consumer behaviour and affect the retail sector. Depending on how it is applied, it may also act as a disincentive for manufacturers to continue their reformulation work as they could face double burdens.

Moreover, the Department of Health and Social Care also committed, in Chapter 2 of their Childhood Obesity Strategy, to consider further use of the tax system to promote healthy food if the voluntary sugar reduction programme does not deliver sufficient progress. If there is intervention, we would welcome clarification to how it would be applied. If it a tax worked similar to the Soft Drinks Industry Levy, having a separate tax in England and in Wales would mean further complexity.

### *HE2 – Limiting the promotion of unhealthy foods.*

Our members value the ability to advertise the products that they sell in broadcast and non-broadcast media. As such, ACS believes that any proposed changes to extend advertising restriction on HFSS products must be based on evidence which shows that further restrictions would help to reduce childhood obesity in the UK. ACS will be responding to the Department of Health and Social Care and the Department for Digital, Culture, Media and Sport's consultation on further advertising restrictions for products high in fat, salt and sugar.

We have concerns regarding the restriction of advertising of HFSS foods in-store, which could be targeted by the Welsh Government's proposals to limit the use of advertising and promotion of unhealthy foods in public places. We would welcome further clarification on what would be determined as public place under the Welsh Government's proposals? Would this be any location which the public can access or public spaces, e.g. bus stops, parks?

The large majority of retailers' promotions are in-store and largely target adult consumers from their local community. Very few of our retailer members' advertisements target children. However, retailer advertisements that do target children tend to relate to seasonal events, such as Halloween, Easter and Christmas. For example, in-store advertisement and signage for HFSS products may promote trick or treating activities at Halloween or Easter egg hunts at Easter.

### *HE3 – Regulating price promotion and discount practices*

The Welsh Government should not introduce restrictions on the promotions of products high in fat, sugar and salt by location and by price without evidence to suggest that they will be effective in promoting public health. University of Stirling's report, 'Identifying and Understanding the Factors that can Transform the Retail Environment to Enable Healthier Purchasing by Consumers' suggests that while studies have been published on measures in the retail environment to reduce obesity, these have focused on individual elements in short time periods such as "better information provision around healthy products alone and on the

price of such products”<sup>6</sup> and therefore “there is limited published academic research on the direct alterations to the food retail environment aimed at changing consumer decision-making.”

Restrictions on the location of products in-store presents practical issues for convenience retailers. Space is always at a premium in convenience stores because they are small format businesses. The largest convenience stores are around 280 square metres but the majority (65%) of convenience stores in Wales are under 93 square metres<sup>7</sup>. Specific definitions for restricted locations will be required to avoid confusion for both retailers and enforcement officers to determine what locations products can and cannot be placed. Unlike larger food retailers, convenience stores do not have a set store layout and instead each convenience store’s format is different. The restrictions on the location of products in convenience stores could range from minimal to significant disruption depending on the store layout. As such, we are calling for an exemption for local shops smaller than 280 square metres from being required to comply with the restrictions on where products can be placed in-store. This will reduce operational challenges for smaller retailers and ensure that the regulations do not disproportionately affect small shops.

ACS does not support the Welsh Government’s proposals to restrict price promotions on unhealthy foods<sup>8</sup>. For independent convenience retailers (which represent 83% of the convenience sector in Wales), promotions are an important way of differentiating themselves, responding to competition, responding to changing consumer demand and tailoring their offer to their customer base. The promotions that retailers use in-store vary greatly, as they may be used for different reasons, and we believe it would be challenging to regulate and enforce against promotions in stores. ACS also has concerns that larger retailers may also have more flexibility to adapt to the regulations than smaller retailers, for example, using alternative promotional activities such as ‘everyday low prices’. Smaller retailers do not have the same purchasing power which means they will not be able to compete to the same degree and will be competitively disadvantaged.

#### *HE4 – Giving people accessible information so that they can make an informed choice*

Many convenience store retailers have extended their offer of food-to-go services and therefore could be impacted by mandatory calorie labelling proposals. Convenience retailers will be affected differently depending on their in-store offer and the parameters of the proposals, for example in Wales, 22% have a hot food counter or cabinet, 21% of convenience stores have an instore bakery, 20% have a food preparation area or kitchen, 13% have a serve over coffee machine, 34% have a customer operated coffee machine and 10% have a food-to-go concession, such as a Subway or a coffee shop<sup>9</sup>.

Smaller retailers may experience issues with the complexity, costs and time required to implement calorie labelling in their business. The majority of the sector is made up of small businesses, with 83% convenience stores in Wales being run by independent or symbol groups retailers, that do not have central administration systems to provide information,

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<sup>6</sup> [University of Stirling - Identifying and Understanding the Factors that can Transform the Retail Environment to Enable Healthier Purchasing by Consumers](#)

<sup>7</sup> ACS Welsh Local Shop Report 2019

<sup>8</sup> [University of Stirling - Identifying and Understanding the Factors that can Transform the Retail Environment to Enable Healthier Purchasing by Consumers](#)

<sup>9</sup> ACS Welsh Local Shop Report 2019

advice or assistance<sup>10</sup>. Many of the smallest retailers will be looking to their suppliers to provide calorie information and signage to display in stores. This should be taken into account when the Welsh Government consider taking forward proposals to introduce mandatory calorie labelling in Wales.

We support the Welsh Government's ambitions to stimulate and increase the number of healthier food businesses in Wales. We believe that the government should consider making a business case to retailers to provide healthier foods. We support Food Foundation's recommendation to government to incentivise the shift to healthy eating through reduced business rates<sup>11</sup>. This could accelerate convenience retailers' ability to follow consumer trends by increasing and promoting healthier ranges in store. Polling of convenience retailers in Wales found that 18% had increased the amount of fruit and veg in stores compared to the previous year<sup>12</sup>.

#### *HE5 – Encourage healthier drinking habits*

If the government decides after careful consideration that energy drinks do require an age restriction, we will work with retailers to ensure that it is implemented effectively across the sector. ACS would support the Welsh Government setting the age restriction at 16 years old, which would be consistent with the voluntary age restriction many convenience retailers have already introduced. Polling of independent convenience retailers in Wales suggests that 57% do not sell energy drinks to under 16s<sup>13</sup>. ACS' evidence to the House of Commons Science and Technology Select Committee provides more information on the sale of energy in the convenience sector [here](#). The convenience sector is extremely effective at enforcing age restrictions in store on a wide range of products including alcohol, tobacco, fireworks, and e-cigarettes. Many of the age restrictions that convenience retailers enforce are set at 16, including the sale of lottery products, petrol, F1 category fireworks, and aerosol paint.

#### **6. Do you agree with the proposals for the NHS (HS5)?**

Developing a national Hospital Retail Standard could be a way to increase healthier options in retail outlets on NHS estates. However, we would recommend that the Welsh Government consider the introduction of a Hospital Retail Standard carefully and reflect on the experiences of the Healthcare Retail Standard in Scotland. The experience of small retailers in hospital found complying with the Healthcare Retail Standard challenging. They required support to understand the criteria, to find suppliers with products that met the criteria, and to try out different business models so that they could reach the Standard<sup>14</sup>. If the Welsh Government were to introduce a Hospital Retail Standard, participating retail outlets must receive significant support from the Welsh Government to help them comply with the criteria.

#### **8. Do you agree that proposals HP3 – HP4 will enable children and families to support a healthy weight?**

We support the Welsh Government's proposals to provide support for families on lower incomes, including working with the UK Government to consider the findings from their

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<sup>10</sup> ACS Welsh Local Shop Report 2019

<sup>11</sup> [Food Foundation: The Broken Plate](#)

<sup>12</sup> ACS Voice of Local Shops survey August 2018

<sup>13</sup> ACS Voice of Local Shops survey February 2018

<sup>14</sup> [NHS Health Scotland – Evaluation of the Healthcare Retail Standard Summary Report](#)

upcoming consultation on reforms to the Healthy Start Scheme. ACS is committed to raising awareness about Healthy Start and encouraging retailers to sign up to the Scheme. We recently developed an animation to encourage more retailers to accept Healthy Start Vouchers<sup>15</sup>. We will also be responding to the UK Government's upcoming consultation on reforms to the Healthy Start Scheme and would welcome further discussions with Welsh Government officials about ways to increase the use of Healthy Start vouchers.

**For more information on this submission, please contact Julie Byers, ACS Public Affairs Manager by emailing [Julie.Byers@acs.org.uk](mailto:Julie.Byers@acs.org.uk) or calling 01252 515001.**

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<sup>15</sup> [ACS Advice: Healthy Start](#)