

Proposals to improve the Out of Home food environment in Scotland

Submission from FSB Scotland

February 2019

Proposals on the Out of Home Food Environment

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Introduction

FSB is Scotland's leading business organisation. As experts in business, we offer our members a wide range of vital business services including advice, financial expertise, support and a powerful voice in government. Our mission is to help smaller businesses achieve their ambitions. These micro and small businesses comprise the majority of all enterprises in Scotland (98%), employ around one million people and contribute £68bn to the economy.

We welcome the opportunity to comment on Food Standards Scotland's consultation on 'Proposals to improve the Out of Home food environment in Scotland'. Whilst we understand the government's objective to increase healthy options on offer to consumers and enhance the nutritional value of food consumed on the go, a key challenge for government will be to ensure new regulations are suitable for the many different types of food-related businesses operating in Scotland. Particularly that they do not unfairly, or disproportionately, disadvantage smaller businesses.

Furthermore, we have repeatedly highlighted that a growing number of potential regulatory changes, particularly those related to environmental and health related outcomes (e.g. tackling obesity and reducing certain types of packaging) are likely to affect the same group of businesses; small retailers, cafes, restaurants, bars and takeaways. FSB strongly urges the Scottish Government

to consider this broader context when developing regulations to tackle obesity, rather than developing these measures in isolation.

Types of Business

FSB agrees in principle that the business categories listed in the consultation document should be included within an Out of Home Strategy for Scotland. However we would caution that within these categories there are large variations in capacity to accommodate further regulatory changes. For example it will be much easier for a large, national chain to adapt menus, or calculate and display calorie counts at the point of choice, than for a small independent business with few staff members. As such FSB would urge that consideration is given to introducing any new regulations proportionately and that exemptions for the very smallest businesses are actively considered.

On the inclusion of vending machines in an Out of Home Strategy, further clarification will need to be provided as to whether it is the vending machine company, or the business that houses the vending machine, to which any new responsibility would apply.

Measures to be Taken

If measures are to be taken to reduce excessive calorie contents of food and drink eaten outside of the home, FSB would encourage limiting the scope of these changes. For example that we

Proposals on the Out of Home Food Environment

Submission from FSB Scotland

only consider; reducing portion sizes; changing recipes e.g. by reducing fats and sugars and increasing fruits/vegetables/bean/pulses and fibre content; and ensuring single serve packs are available as an alternative to packs containing multiple servings are included. These options, are amongst the more practical of the suggestions included within the consultation document.

However it is also worth keeping in mind that whilst businesses may change their recipes to include more fruits, vegetables, customers' tastes may not keep pace with change. This could result in an increase in food waste. Training should be available to businesses on how to combat and manage customer expectations.

FSB does not support moves to apply maximum calorie limits, maximum energy limits or removing high calorie items from menus. These measures would be onerous and time consuming for small businesses both in terms of calculating calories and then potentially changing recipes to fit within the limits. Ultimately, this would also restrict customer choice and does not take into account other nutritional values such as fats or protein.

Half Portions

Many small businesses routinely offer half portions to their customers, with businesses finding them particularly popular with older customers.

Rolling out the option of smaller or half portions to customers would be an easy

and practical move for the majority of businesses to implement. However there may be some instances where a business will be unable to provide a half portion, for instance when serving a burger or one piece of meat. Therefore we do not believe that this should be mandatory.

Calorie Labelling

FSB do not believe that mandatory calorie labelling should apply in Scotland and have concerns about the impact that its introduction at the point of choice would have on small businesses. We have heard concerns from a number of businesses about the challenges this measure would create for smaller firms in particular.

A full and detailed business impact regulatory assessment should be conducted to understand the economic impact on Scotland's small businesses before a mandatory scheme is considered.

FSB's specific concerns are:

- Accuracy of calorie labelling
Many small hospitality businesses make their products from scratch on site, with plenty of cafes making sandwiches and other items freshly in front of their customer, with the option to vary the item based on preference. Portion sizes therefore may vary from server to server or vary based on customer preferences or recipes may be tweaked slightly dependent on the chef. Therefore providing pin-point calorie labelling

Proposals on the Out of Home Food Environment

Submission from FSB Scotland

would be inappropriate for many small businesses. If calorie labelling were to be introduced it should be indicative within a certain range, i.e. "no more than/around 450 calories".

- Time and cost to the business
Small businesses with a limited number of staff would need to dedicate large amounts of time to calculating the calories in each dish on their menu. This may be difficult in small hospitality businesses where the recipes are known by the chefs but not formally recorded anywhere or where specialist items, or brands of items they use are not available on MenuCal and these then have to be inputted by the business.

In addition many hospitality businesses have daily specials. Calculating and displaying calories for these dishes each day would be particularly onerous. In America where calorie labelling has been introduced via the Affordable Care Act there are particular exemptions for daily specials. If Scotland were to introduce calorie labelling then a similar exemption should apply. As well as daily specials many businesses change their menus seasonally to reflect the best available produce. Having to calculate calories for their dishes multiple times a year would again put pressure on the small business.

Further there is the cost of reprinting menus and other materials, such as posters or display case signage. This could be a serious financial undertaking for

businesses and as such if calorie labelling were to be introduced, we would want to ensure sufficient financial support for small businesses to adapt.

- Incentivising use of fresh produce
Many of Scotland's small hospitality businesses use local produce, supporting other small businesses in their area and creating their dishes using fresh ingredients. Any new calorie labelling regulations would have to ensure that this was not undermined, as calculating the calories in frozen or processed foods bought from larger suppliers would be much simpler than calculating the calories in freshly cooked meals.

- Other systems
FSB research found that many small businesses were concerned that calorie labelling is too blunt an instrument and does not take into consideration the nutritional content of a product, or whether or not it is processed.

It was suggested that something like the traffic light system currently used on packaged foods would provide a more rounded view of whether an item was nutritionally healthy or unhealthy.

MenuCal

Whilst MenuCal would be a useful tool for small businesses, there are improvements that could be made to the app, such as those mentioned in the FSS pilot; improvements to the 'my

Proposals on the Out of Home Food Environment

Submission from FSB Scotland

store cupboard area'; improvements to the 'my recipes' function; and more ingredients available in the app.

In order for the app to allow calorie labelling to be an easy task for the smallest businesses it needs to be quick and easy to use with accurate information provided.

FSB would like to see a more comprehensive pilot of the MenuCal app take place, with a larger number of small businesses covering different areas of the hospitality market, before a calorie labelling scheme is rolled out.

Calorie Labelling Support

If calorie labelling were to be introduced, free training on how to accurately label menu items for business owners and their staff should be available alongside financial support for the costs incurred in changing menus and displays. We anticipate that this would require a substantial degree of support from local authorities, alongside FSS, to effectively introduce such a regulatory change.

Calorie Labelling Exemptions

The smallest businesses should be exempt from calorie labelling at the point of choice due to the disproportionate burden that it would have on them in terms of cost and time. This may be defined as businesses who have under a certain amount of staff, perhaps micros with under 10 full time (FTE) staff members.

Nutrition Information

Where providing nutritional information on printed materials and online businesses should have a template available to them to use, to ensure standard information is provided.

A BRIA would need to take place to understand the impact of making providing this information mandatory.

Marketing Practices

FSB understands the need for businesses to change their marketing practices to support healthier eating outside the home. However new regulations need to be proportionate and ensure they do not disadvantage the smallest businesses. They must also take into account that it will be difficult for some specialist shops, for example a chocolatier, to promote healthier choices.

Measures to Improve the Diets of Children

Whilst FSB acknowledges that measures should be taken to improve the diets of children, businesses which happen to be within the vicinity of schools, cannot be unfairly targeted in relation to similar businesses which are slightly further away.

Children's Menus

Menus specifically for children are often sought out by families and will encourage them to visit a particular

Proposals on the Out of Home Food Environment

Submission from FSB Scotland

restaurant or café. They are a legitimate marketing tool for businesses to attract families. Whilst FSB would support measures to increase fruits and vegetables on children's menus and the reduction of drinks with added sugar, we would not support the reduction in children's menus as a whole.

Furthermore we believe that some consideration must be given to how products on children's menus are made, particularly whether items are made from scratch on the premises or processed. Menu items could be breaded but made fresh on site, and therefore be healthier than others made from frozen or bought in items.

Consumer demand must also be taken into consideration and what impact this could potentially have on the amount of food waste.

Recognition Schemes

Many small businesses would be happy to take part in a recognition scheme and view being part of a healthy eating programme as an effective way to market their business.

However for this type of scheme to be effective a marketing campaign would need to take place in order to raise awareness both within the business community and amongst consumers to properly inform them about the scheme.

Further Information

For further information please contact Laura McKelvie laura.mckelvie@fsb.org.uk

The FSB campaigns for a better social, political and economic environment in which to work and do business. With a strong grassroots structure and dedicated Scottish staff to deal with Scottish institutions, media and politicians, the FSB makes its members' voices heard at the heart of the decision-making process. It is therefore recognised as one of Scotland's most influential business organisations. The FSB also provides a suite of services to help our members reduce the cost and risk of doing good business – from legal and tax protection to business banking.

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