



**Pizza Hut Delivery UK & Ireland
Response to the Draft London Plan
E9.C**



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Dear Mayor,

This representation covers our response to elements of the Draft London Plan (E9.c) which specifically impact our business.

Yum! III (UK) Limited trades as Pizza Hut Delivery UK & Ireland and is a subsidiary of Yum! Brands which operates in over 135 countries and territory's globally.

Pizza Hut first opened its doors in Kingsbury, London in 1988. Today, there are over 400 Delivery stores across the UK. 94% of our stores are owned and operated by our franchise partners who are local business men contributing to their community.

We have 90 stores in London specifically with a plan to add an additional 30 over the next few years.

We recognise that obesity is a major health challenge facing the capital and that it is important that the government, food & drink premises and other related parties work together to develop a solution. We understand that child obesity is particularly a cause for concern and agree with any reasonable strategy that will be effective in tackling the issue. We are however concerned that policy E9.C, which restricts the granting of any new A5 planning permissions within 400m of a school may not be the most effective resolution and may result in unintended implications such as loss of job opportunities and investment. It may arguably be better to consider the density of hot food establishments within an area or require all food establishments to sign up to a set of national standards, so that the whole food environment that children are exposed to is targeted.

We wish to continue to be a part of this city's economic success and we would like to work with the government and the food and drink sector at large to develop an effective solution to the issue, which compliments the diversity and choice within London.

I hope we can be part of the solution and would welcome a meeting to discuss this with you and your team. If you would like to discuss this representation in more detail, please do not hesitate contact me.

Yours sincerely,

Neil Manhas



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General Manager – Pizza Hut UK, Yum Brands

Table of Contents

1. Introduction
2. Proposed Policy in the Draft London Plan to tackle child obesity should be Effective
3. Proposed Policy in the Draft London Plan should avoid Unintended Implications
4. The Plan should seek to meet Development & Infrastructure Requirements across London in a Sustainable Manner
5. Measures Implemented should be based on evidence
6. Proposed solutions
7. Summary
8. References



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1. Introduction:

Pizza Hut Delivery recognises that obesity is a major health challenge facing the capital and that it is important that the government, food and drink businesses with a presence in London and other related parties work together to develop a solution.

As a national player in the food and drink industry, we recognise that we have a special responsibility to engage with the issue and are committed to working with the government and local communities to implement an effective approach to address the problem.

We understand that child obesity is particular cause for concern and agree with any reasonable strategy that will be effective in tackling the issue. We are however concerned that draft policy E9.C which seeks to restrict A5 'hot food takeaway' permissions, may not be the most effective solution and may result in unintended consequences, for example loss of job opportunities and investment.

We would like to propose that rather than enforcing policy that looks to restrict A5 permissions, all key stakeholders, us included, work together on a holistic approach to address the issue in London, which would arguably have a much greater impact on improving the city and the nation's health. In accordance with this, we have already committed to and have made progress on the following:

- We are committed to making significant progress towards Public Health England's sugar reduction target of 20% by 2020.
- Since 2008 we have reduced the average salt content of our pizzas by 20% and continue to make improvements year on year where technologically possible.
- We are a founder member of the out of home industry group working with the likes of McDonalds, Starbucks, Costa Coffee and Greggs amongst others, which have developed a code of practice which commit to changes in health & wellness programmes.
- We will continue to adhere to the BCAP, Ofcom and CAP codes for advertising to children.
- We are committed to using 'nudge' initiatives to encourage consumers to change their behaviours e.g. product positioning of drinks - no added sugar drinks first and clear merchandising.



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In addition to our nutritional commitments, we support local communities by:

- **Creating meaningful careers and recognised training for local people** - Pizza Hut Delivery employ circa 10,000 people across the UK. We offer great career opportunities for employees which they value. Many of our Restaurant Managers & Area Managers started as team members and progressed their careers. We also have many franchise owners who worked as store members before building their business.
- **By contributing to the local community** - With every New Store we create between 20 to 25 full and part time Jobs, most of which are taken by people living locally. We offer flexible working and hours to suit the individuals as well as the business. As Pizza Hut Delivery is expanding, it is one of a small handful of companies that are investing in and providing new jobs for local people across the UK.
- **Running sites responsibly** - Each of our restaurants is designed and built to fit into the local area and meet local planning requirements. The exterior of the stores always remain flexible to suit the local street scene. Many stores that are opened often replace tired, run down units. The Pizza Hut Delivery stores are smart and well maintained and compliment the local residents' changes in shopping and eating habits. We are always looking at new and smarter ways of helping our stores become more efficient and have less impact on the environment. From the highest standard of refrigeration, to energy efficient LED lights and Signage.

We recognise the importance of the issue that policy E9.C is trying to address, however are concerned with the implications of using planning policy in this way:

- The policy targets A5 permissions but use class does not measure the nutritional value of food. Many brands have a takeaway option and operate under a different use class to A5, these include bakeries, sandwich and baguette shops, coffee shops, burger and chicken 'eat in' restaurants with a takeaway facility, newsagents, supermarkets and convenience stores. Many of these are located near schools
- There may be unforeseen impacts on the rising convenience economy of food delivery - a number of restaurants that seek to expand through delivery sales may be prohibited, should they soon require A5 consents
- There is limited or no evidence to demonstrate a causal link between the incidence of childhood obesity and proximity of hot food takeaway establishments to schools, thus the impact of the proposed policy on obesity levels, which has complex and multiple causes, is unclear.
- The policy applies to both primary and secondary schools, yet many primary school children are supervised going to/from school and cannot leave during lunch time
- The proposal to apply a blanket zonal restriction on new A5 permissions doesn't take into account unique development and infrastructure requirements of different areas across London



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- The social and economic impacts are unknown but potentially significant – should the proposal go ahead there would be few places for new hot food takeaways to open across London, impacting job creation, investment, social needs and possibly resulting in vacant shops, less footfall and anticompetitive behaviour, should an increase in rent of A5 premises (and subsequently non-A5 premises) arise due to the forces of supply & demand

To address these concerns, we recommend that some of the following alternative solutions are considered:

- Undertaking more research to understand the impact of the whole food environment around schools, including a review of the effectiveness of implementing zonal A5 restrictions and the implications they have.
- All food establishments to sign up to a set of national standards, so that the whole food environment that children are exposed to is targeted.
- Ensure local authorities are fully supported in addressing key determinants of obesity, for example through providing facilities that encourage physical activity and by designing places that encourage active travel
- If a zonal restriction is to be adopted:
 - Only apply to secondary schools given primary school children would ordinarily be supervised by adults when going to/from school and are unable to leave during lunch breaks
 - It should possibly apply to a zonal area where causality between proximity of hot food takeaways and obesity levels has been identified, however more research would be required to find evidence of causality before implementation

Pizza Hut Delivery is committed to working with the government to address childhood obesity using an effective solution that is evidence based, tailored to local area needs and with limited unintended implications. In this representation, we discuss the concerns we have regarding policy E9.C in the draft London Plan and put forward some proposed alternative solutions.

2. Proposed Policy in the Draft London Plan to tackle childhood obesity should be Effective:

Policy E9.C targets A5 permissions, however use class does not measure the nutritional value of food. Many food establishments have a takeaway option with children forming part of their customer base, but operate under a different use class to A5 and thus would not be impacted by the planning restrictions. Examples include bakeries, sandwich and baguette shops, coffee shops, burger and chicken 'eat in' restaurants with a takeaway facility,



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newsagents, supermarkets and convenience stores. These establishments sell a variety of foods, including snacks and treats.

Children come into contact with a range of food and drink establishments on their way to and from school and so it is unknown whether placing restrictions on A5 permissions within 400m of a school would have any impact on obesity levels. It may arguably be better to consider the density of hot food establishments within an area or require all food establishments to sign up to a set of national standards, so that the whole food environment that children are exposed to is targeted.

We should also consider that the policy applies to both primary and secondary schools, yet primary school children are ordinarily supervised going to/from school and cannot leave during lunch time. If a zonal restriction is to be applied, there may be merit in applying it only to secondary schools, so as to reduce unintended implications of a zonal A5 restriction, such as loss of job opportunities and investment.

Obesity has many complex, interrelated causes and requires a sophisticated and thoroughly considered approach to tackle the problem. We believe that rather than use planning policy to address the issue, it would be more effective for the industry to work together to devise a measure that tackles calorie reduction across all outlets.

3. Proposed Policy in the Draft London Plan should avoid Unintended Implications:

Many hot food takeaways are independents or run by local franchisees and so the proposed measure could significantly impact both their and our businesses.

We are looking to expand to help serve our customer base within London and have earmarked several areas for development namely Aldgate, Crystal Palace, Earls Court, Finsbury, Harlesden, Tooting, Tottenham & Southwark. It is thought that the proposed measure would prevent us from doing so and thus would not only hinder our potential to grow, but also our ability to invest back into our business and continually improve our offering. Income from opening new restaurants can be used to enhance the in-store experience, pay better wages, create more jobs and test new initiatives, for example by trailing healthier options on our menus. If the proposed measure is implemented, it may discourage businesses like ours from investing in such initiatives, which would in turn act as a preventive measure towards the goal of improving the integrity of the whole food environment.

Should the proposal go ahead there would be very few places for new hot food takeaways to open across London. There doesn't appear to be the suggestion that there is no requirement for hot food takeaways across the capital and so another solution could be to establish the



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optimum number that balances retail and public health. It may be useful for further research to be undertaken to determine what this optimum number looks like.

We, like many other employers in the hot food takeaway sector are a key employer of young people and offer flexible work and excellent development opportunities. If the proposed policy were implemented, there is risk that future job opportunities offered by us and the wider sector from the opening of new restaurants would be impacted. Should areas outside of London also adopt such policy, the number of job opportunities affected could magnify. Revenues raised through business rates, employment taxes and section 106 payments should also be taken into account.

The proposed restriction on A5 permissions could result in a wider unforeseen impact on the convenience economy of food delivery, not only impacting national, independent & local franchisee businesses but also eat-in restaurants looking to increase sales via home delivery. If they wish to expand through delivery sales, they may soon require A5 consents and may be restricted in obtaining these through the proposal.

Due to the forces of supply and demand that this policy will create, an increase in rents on A5 premises could have a major impact on our ability to remain trading in London. This may lead to more vacant premises on the high street, less competition and possible loss in revenue in business rates and taxes. There is also risk that operators may be incentivised to sell their A5 premises for a huge multiples making the growth of a business like our unsustainable.

Further research on the implications of placing restrictions on A5 uses would be valuable, so that the wider economic and social influences and impact on the food and drink sector specifically are fully understood.

4. The Plan should seek to meet Development & Infrastructure Requirements across London in a Sustainable Manner

The proposal to apply a blanket restriction on the granting of new A5 permissions within 400m of all primary and secondary schools within London should take into consideration the unique development and infrastructure requirements of different areas across London.

Some areas will have a wider food and drink offering than others, some will require greater levels of investment and job creation. The proposed policy to apply a uniform ban on hot food establishments may not take into account this disparity, preventing economic growth and high street regeneration in those areas that require it, whilst effecting customer choice.



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We should also consider that affordable food and drink establishments can act as an important social hub for people who feel lonely and can act as a 'safe space' where people can socialise. This community requirement will be greater in different areas of London.

If planning policy is to be used as a solution, the implications of using such policy should be analysed and local requirements considered. Local authorities currently have powers to manage over-concentrations of A5 uses via development plans, and so a solution that enforces better adoption of these powers may be more effective in enabling a tailored resolution, accounting for local needs.

5. Measures Implemented should be based on Evidence:

We have seen limited or no evidence to demonstrate a causal link between the incidence of childhood obesity and proximity of hot food takeaway establishments to schools, thus the impact of the proposed policy E9.C on obesity levels, which has complex and multiple causes, is unclear.

We agree that causes of obesity are complex and a broad package of measures is required to reduce childhood obesity, however we believe that proposed measures to address the issue that may result in change to high streets and possibly unintended economic and social impacts, should be based on evidence of effectiveness.

There appears to be limited or no evidence of a causal relationship. For example, a study by Fraser et al (2010) found positive correlation between density and higher deprivation, and between density and being overweight or obese. These relationships are also referenced in the draft London plan (paragraph 6.9.6). The study didn't however find an association between distance and obesity, despite measuring against this.

Public Health England report 'Obesity and the environment' (2014) outlines a lack of evidence that can demonstrate a causal link between actions and outcomes of food-choices of school children in and around school, however states some limited evidence of associations between obesity and fast food exist. Williams, J et al (2014) also found there was no strong evidence to justify policies related to regulating the food environments around schools, recognising inconsistencies across studies in definitions of "fast food outlets" and other key variables.

The impact of limiting the concentration of hot food takeaway establishments within an area can also lead to perhaps unexpected results. A study commissioned by the Independent to investigate the characteristics of an "obesogenic" environment split residential areas in



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Yorkshire into five types, based on the number of food outlets and opportunities for physical activity: saturated; moderate availability; low availability; moderate physical activity, limited food; and moderate physical activity, ample food. Analysis showed that of the 2 neighbourhood types associated (negatively and positively) with obesity, saturated neighbourhoods (with a high number of fast-food outlets, convenience stores, supermarkets, gyms and parks) had 14% lower risk of obesity whilst moderate-availability neighbourhoods were associated with an 18% higher risk of obesity. It was argued that those living in less saturated neighbourhoods would be more likely to drive to work and the shops and therefore undertake less physical activity.

Given that there is limited or no evidence regarding the effectiveness of imposing restrictions on A5 permissions in order to reduce childhood obesity levels, it is recommended that further study is undertaken so that an effective method, that can be adapted for local councils' needs, is undertaken.

6. Proposed Solutions:

We would like to propose that rather than enforcing policy that looks to restrict A5 permissions, all stakeholders, us included, work together to improve the integrity of the food environment, which would arguably have much greater impact and avoid unintended economic and social consequences. It may be that all food establishments sign up to a set of national standards, so that the whole food environment that children are exposed to is targeted.

We are currently looking into ways in which we can improve the nutritional value of our offerings.

Furthermore, we believe that more research is required to understand the impact of the whole food environment around schools and what the best solution may be. This review could include the effectiveness of implementing zonal A5 restrictions and any unintended impacts they have.

Some additional proposals that we suggest may be more effective in addressing the nation's health include:

- Ensure local authorities are fully supported in addressing key determinants of obesity, for example through providing facilities that encourage physical activity and by designing places that encourage active travel
- Rather than apply a zonal restriction on A5 uses, it may be more appropriate to consider the density of hot food establishments locally within an area



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7. Summary

We recognise that obesity is a major health challenge facing the capital and would like to propose that rather than enforcing policy that looks to restrict A5 permissions the food-to-go industry at large work together with the government to improve the integrity of the whole food environment and consider alternative solutions to address the problem outlined in this representation.

If we can set an industry standard across multiple food formats, the collective benefits to London and society in general could be substantial. This would arguably have much greater success in reducing child obesity, whilst avoiding unintended economic societal implications.

8. References

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