



SCOTCO RESTAURANTS LTD
DRAFT LONDON PLAN
CONSULTATION RESPONSE



MARCH 1, 2018
SCOTCO RESTAURANTS LTD
Harleyford Estate, Harleyford, Henley Road, Marlow, SL7 2DX

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1 March 2018

Dear Mayor,

This representation covers our response to elements of the Mayor of London's Draft London Plan which specifically impact our business.

London is now often hailed as the most diverse and exciting food capital of the world, from its dine-in experiences to its accessible food on the go.

Our company, Scotco Restaurants Ltd, part of the wider The Herbert Group opened its first store in Northern Ireland in 1982. It has since grown to operate 146 restaurants nationwide, with 9 located across London and 21 in the South East. The Herbert Group is the largest KFC Franchisee in UK and Ireland employing over 3,500 people.

We are incredibly passionate about the London food & drink sector and plan to grow in this area, having obtained approval to open restaurants in Woolwich and Orpington in 2018.

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 placing restrictions on A5 planning permissions may not be the most effective resolution – use class doesn't determine the nutritional value of food or what food is purchased and how it is consumed and the policy targets one use class whilst allowing others (which sell a variety of foods, including snacks and takeaway options) to grow. 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 contribute to its rich tapestry of food and as franchisees of a global brand we would like to work with the government and the food and drink sector at large to develop an effective solution to the issue, that complements the diversity and choice within London, which indeed makes the city so great.

I hope we can be part of the solution and would welcome a meeting to discuss this with you and your team.

Andrew Purnell
Group Managing Director
The Herbert Group

If you would like to discuss this representation in more detail, please contact me at andy@scotcorestaurants.co.uk

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1. Introduction:

Our company, Scotco Restaurants Ltd recognises that obesity is a major health challenge in London and that it is important that all related parties work together to develop a solution.

We understand child obesity is particular cause for concern and agree with any reasonable strategy that will be effective in tackling the issue, however are 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 implications. It may impact the growth of local businesses, including franchisees like ours, whilst allowing others (which sell a variety of foods, including snacks and takeaway options) to grow.

We would like to propose that rather than enforce policy that looks to restrict A5 consents, the government and food to go industry at large (including local independent and franchisee businesses like us) work together to improve the integrity of the food environment, which would arguably have much greater impact.

In this representation, we outline the concerns we have with the proposed policy to apply a zonal restriction to new A5 approvals and put forward some alternative solutions.

2. A Holistic, Lifestyle Approach is required to tackle Obesity, Involving Input from a Wide Variety of Stakeholders

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 food and drink establishments.

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. We understand our franchisor KFC (UK) Ltd would be prepared to invest in such a study, which would include a review of the effectiveness of implementing zonal A5 restrictions and any unintended impacts they have.

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

- 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
- 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
- Ensure local authorities are fully supported in addressing key determinants of obesity, for example through providing facilities that encourage physical activity
- 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 hot food takeaways and obesity levels has been identified, however more research would be required to find evidence of causality before implementation.

We believe that if the government and food to go industry at large (including local independent and franchisee businesses like us) worked together to improve the integrity of the food environment, it would arguably have much greater success in reducing child obesity, without unintended implications, such as loss of jobs or investment.

We understand our franchisor brands are currently looking into ways in which they can improve the nutritional value of their offering and look forward to working with them on these initiatives.

3. A Zonal Restriction on A5 Permissions may not be the most Effective way to improve the Nation's Health:

The Draft London Plan proposes placing a zonal restriction on A5 consents, 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, 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 consequences without impacting effectiveness of the policy.

4. The Proposal may Impact the Growth of Local Businesses, including Independents, Franchisees and Eat-in Restaurants Expanding through Delivery Sales

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

We are looking to expand within London and have obtained approval to open restaurants in Woolwich and Orpington. The proposed measure is likely to prevent us from further

expansion across London, not only hindering 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 few places for new hot food takeaways to open across London. There doesn't appear to be suggestion that there is no requirement for hot food takeaways across the capital and so another solution could be to establish the 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, a proposal we understand our franchisor KFC Ltd would be prepared to invest in.

We are a franchisee with 9 restaurants within London and employ over 3,500 people across our 146 restaurant estate. 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 independent & local franchisee businesses like ours 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, an increase in rents on A5 premises could also lead to more vacant premises on the high street and less competition. There is also risk that operators may be incentivised to delay selling sites until premiums have risen, initially reducing supply of property.

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.

5. The Requirements for Food & Drink Establishments vary across Different Areas of London

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 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.

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.

Our business forms part of the rich tapestry of food offerings in London and serves an important social role in communities. We hope that the new restaurants we plan to build would continue to add value to London neighbourhoods.

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.

6. There is Limited or No Evidence that the Proposed Measure would be Effective:

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 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 child obesity, however 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 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 child 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.

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 (including local independent and franchisee businesses like ours) 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, without unintended economics and social consequences.

We believe that if we work together to evaluate other options, including the solutions proposed in this representation, we can develop the optimal solution for addressing the nation's health.

8. References

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