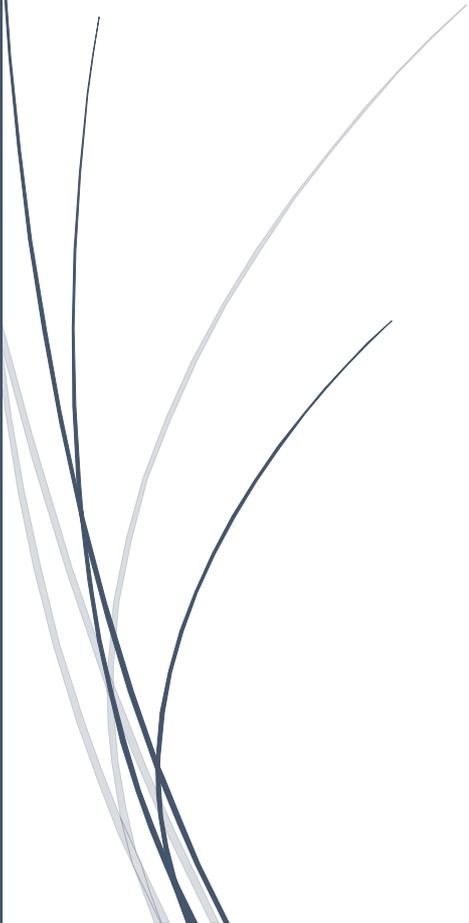




2 March 2018

# Kentucky Fried Chicken (Great Britain) Limited Draft London Plan Consultation Response



Paula MacKenzie (General Manager)  
KENTUCKY FRIED CHICKEN (GREAT BRITIAN) LIMITED



Kentucky Fried Chicken (Great Britain) Limited  
Orion Gate  
Guildford Rd  
Woking  
GU22 7NJ

2 March 2018

Dear Mr Mayor,

This submission covers our response to elements of the 2017 Draft London Plan which impact our sector and our business specifically. However, I wanted to say a few personal words at the start of this document. Because I am a Londoner. I was born in this city and had my formative years here. So this is personal for me, as well as something that we care about passionately as a business.

Firstly: London matters to KFC. We have 197 restaurants, across 17 franchisees, and employ more than 5,000 people here. We've been part of this great city for 50 years, having opened our first London KFC in Wimbledon in 1968. We want to continue to be part of this city's economic success and development, and part of the lives of Londoners.

It's also fair to say – in fact it's a massive understatement – that London LOVES fried chicken, and London loves KFC. We form part of the rich tapestry of food from all over the world that is available in this great melting pot of a city. Our restaurants are part of the cultural make up of London. We have had a focus on opening restaurants in London over recent years, because we are constantly asked by Londoners why there isn't a KFC in their neighbourhood, and we are currently underrepresented.

But that doesn't mean that we should ignore our very real responsibility to work with government, the industry, schools and local communities to find a way to successfully tackle the growing issue of obesity in society. This is a problem that impacts all of us.

That is why we are proposing to work with you to be part of a holistic approach to the obesity challenge and we are willing to put forward our resources to help make this work. In particular, we would like to work with you to explore establishing a 'schools pact' for new KFCs (and indeed, ideally other hot food takeaways e.g. bakeries, sandwich shops and coffee shops), opening near a school within the M25, which we explore in this submission. We are also working towards a 20% reduction in calories per serving by 2025. This all forms part of a range of options and potential solutions we outline in this document.

I'm a mother of two young children, I want us to build a healthier society for everyone. But I don't believe that unfairly demonising one sector through planning regulations, whilst allowing others to continue to grow and sell food and snacks that by any definition could be classed as 'unhealthy', is the answer. There also doesn't appear to be evidence that a zonal restriction on A5 permissions in particular will be effective – which is the most important thing. But we recognise the need to act.

We would be delighted to work with you, schools, our industry peers, and others including retailers, coffee shops, delivery aggregators and bakeries to test strategies in London boroughs, to find out what is most effective at addressing this complex issue. In the meantime, we are ploughing on with our own nutrition strategy – we've made some great progress – but we will keep pushing to do more.



Finally, I am aware that there are also those that love to hate to us. And I would not claim that we are perfect. But what critics often don't see is the positive impact that KFC has in the communities it operates in. What I'm proudest of is how we train and develop young people. Put simply, this is something we excel at. From our apprenticeships to our degree programme, we provide a route to further and higher education for those who haven't necessarily taken the academic route via school. Particularly for those for whom university isn't an option financially. We have restaurant managers in their mid-twenties who started as team members, who are running restaurants with a million pound turnover and 50 employees. We teach hard work, grit, team work, and leadership skills. Whether people stay for a long career with us, or move on to other employment, we always want them to leave with more skills, and more confidence, than when they joined.

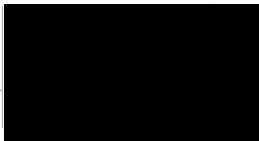
From the local economic boost that comes from a new restaurant, to the local charities that are supported through the food we donate, from the jobs we create, to the vibrancy we contribute to, there is a raft of positive things that KFC brings to a community.

We want to keep making that contribution to London, growing in the right way, in the right places, where there is demand and where we can add to the diversity of a high street.

London loves KFC. And KFC loves London.

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

Yours sincerely,



**Paula Mackenzie**

General Manager

Kentucky Fried Chicken (Great Britain) Limited

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## 1. Executive Summary

At Kentucky Fried Chicken (Great Britain) Limited (“KFC”), we recognise 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 major 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 childhood obesity is a particular cause for concern and agree with 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.

### 1.1. Working with you to Develop a ‘Schools Pact’ Policy

We are committed to working with the government and other community stakeholders to promote healthier choice for children. As part of this we would like to propose working with you, local schools and communities to devise and test a ‘schools pact’, such that for every new KFC opening near a school within the M25, a range of health supportive measures are adopted. This is something that we could investigate and develop in partnership with you, and then test in London boroughs, with the idea that the successful model could be applied to the wider food on-the-go sector. Such measures could include:

- Revised advertising policies for within the store and local community
- Specific nutritional commitments with regards to product available in those restaurants to children
- Community projects to encourage physical activity
- Working with local schools on policies around serving children in uniform

### 1.2. We are Focused on Continuously Improving our Health and Wellbeing Focus

As part of our commitment to work with the government to tackle the obesity crisis, we are working towards a 20% reduction in calories per serving by 2025. Based on 2017 figures, this would equate to a reduction of 57.4bn calories across the KFC estate annually, equivalent to the annual calories consumed from opening 180 new KFC restaurants. In accordance with this, we are currently investigating:

- Working with our beverage supplier Pepsi Co to move to 100% sugar-free carbonated soft drinks across all our 910 restaurants
- Launching healthier fries

- Reducing the number of portions of fries sold as a side by offering three 5-a-day vegetable side alternatives
- Non-fried chicken alternatives
- Introducing a vegetarian offering
- Expanding the < 600 calorie range
- Ongoing product reformulation to the core menu from sugar and salt reduction programmes
- Introduce a pricing structure to encourage sales of healthier choice options
- Improved labelling in restaurants, with easier access to nutrition information and clear communication about the number of portions included in a meal

We aim to continually drive nutritional improvements across our menu, creating and enabling balanced choice through nutritional transparency and have a proven track record in this area:

- We were the first in our sector to sign up to the Department of Health (DoH) Responsibility Deal on kcals in 2011
- Healthier choices including <500 calorie salad and <500 calorie rice box were introduced in 2003 and 2015 respectively
- We have been 100% artificial Trans Fat free since 2007
- We have removed palm oil across our range, starting with frying oil in 2011 and removed it as an ingredient across the entire KFC branded offering in 2015.
- Our range of low and zero calorie beverages has been extended across all restaurants and we have trialled the introduction of Sparkling Water
- Trials of healthier non-fried products, including Brazer in 2011, BBQ Rancher in 2012 and Pulled Chicken in 2015 have been delivered
- A national trial of healthier, reduced-fat, thicker cut fries is underway

### **1.3. Potential Unintended Consequences of the Proposed Policy**

We recognise the importance of the issue that the policy 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 eat-in restaurants that seek to expand through delivery sales via third party aggregators 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. We commissioned an independent report of the research available, the results are outlined in chapter 4 and are happy to share further details as required
- 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
- 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. This could possibly result 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

#### 1.4. Some Potential Alternative Solutions

To address these concerns, we recommend that in addition to our ongoing work to reduce calories across our estate and our proposal for a 'schools pact' whereby new KFC's opening near a school within the M25 adopt a range of health supportive measures, some of the following alternative solutions to the proposed policy are considered:

- Undertaking more research to understand the impact of the whole food offer around schools, including a review of the effectiveness of implementing zonal A5 restrictions and the implications they have. We would be happy to fund the undertaking of such objective research, as part of our commitment to working with the government to tackle the obesity crisis
- All food establishments to sign up to a set of national standards, so that the whole food offer 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
- Rather than apply a zonal restriction on A5 consents, it may be more appropriate to consider the density of hot food establishments locally within an area
- 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

We are 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, with consideration given to the 4 tests of soundness used to evaluate spatial plans – effective, justified, positively prepared and consistent with national policy, we then put forward some proposed alternative solutions.

If you would like to discuss the contents of this representation further, please contact

Chris Holmes (Chief Development Officer at KFC) at [Christopher.Holmes@yum.com](mailto:Christopher.Holmes@yum.com)

## 2. The Plan should aim to Address Childhood Obesity in an Effective and Just Manner (Effective)

In this section we discuss whether the proposed policy would be effective, which is one of the 4 key tests of soundness used to evaluate spatial plans.

At KFC we believe that measures taken to address childhood obesity that may have considerable economic and social impacts to society, should have proven effectiveness or sufficient evidence to suggest such measures would be most effective. Given that this is not available to support Policy E9.C, we would be happy to fund the undertaking of an objective study to assess the impact of the whole food offer around schools.

### **2.1. Many Food & Drink Establishments with a Takeaway Option Operate Under a Different Use Class to A5**

Policy E9.C targets restrictions on A5 hot food takeaway permissions, however 'use class' does not measure the nutritional value of the foods being offered and there is risk that some businesses will be treated based on pre-conceived notions.

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, chicken and 'eat in' restaurants with a takeaway facility, newsagents, supermarkets and convenience stores. These establishments sell a variety of foods, including snacks and treats.

When assessing the food offer available to children and any links with obesity levels, we should consider the nutritional value of their food and whether it constitutes as a meal or a snack. For example, in a UK study by Sinclair and Winkler (2008), it was found that the local supermarket was the most popular shop surrounding secondary schools for students and that sugar was more of a nutritional problem than fat, despite the presence of hot food takeaways. Public Health England have also recently issued a report, advising the food industry on how to achieve a 20% sugar reduction, highlighting that overconsumption of sugar is identified as a key problem in the diets of children and may be a key contributor to obesity levels.

### **2.2. There may be Limitations on the Effectiveness of Introducing a Zonal Restriction and it may be more Beneficial to Consider Density of Food Establishments within an area or Require all Food Establishments to sign up to a set of National Standards**

We should consider that children come into contact with a range of food and drink establishments on their way to/from school and indeed close to home, it is therefore 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 offer that children are exposed to is targeted. At KFC we believe improving the nutritional value of food and targeting the whole food offer may be more effective in tackling childhood obesity, which is why we are working towards a 20% reduction in calories per serving by 2025.

The policy applies to both secondary and primary schools, however children between the ages of 5-11 would ordinarily be supervised by adults when going to/from school and unable to leave during lunch breaks. 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.

The restriction on A5 permissions could also result in a wider unforeseen impact on the convenience economy of food delivery – many eat-in restaurants are growing through increasing numbers of home delivery via third party aggregators and may soon require A5 consents. Their ability to do this may be restricted through the proposal.

Another unforeseen impact could be that a reduction in the accessibility of hot food takeaway establishments encourages people to drive more rather than walk or possibly order home delivery more frequently.

One study, Stum (2015) showed that overweight/obesity rates rose following a zoning restriction ordinance of standalone fast-food restaurants in Los Angeles. There may have been many causes behind this correlation but it does show that the impacts of introducing such a policy are unknown. The report suggests reasons for the rise in obesity levels may be because the regulation didn't consider key differences in food environments, for example residents consumed a high number of calories from sweets, biscuits and fizzy drinks, a pattern that continued in new food retail permits after the regulation. The study also states that the absence of a link between food outlets and diet may be a reflection of a mobile society.

We should also consider how the effectiveness of the policy would be measured, so that it could be amended should unforeseen consequences occur.

At KFC we recognise that 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. The Plan should seek to meet Development & Infrastructure Requirements across London in a Sustainable Manner & should not Create Unintended Consequences (Positively Prepared)

In this section we discuss whether the proposed policy is positively prepared, which is one of the 4 key tests of soundness used to evaluate spatial plans. If a policy is positively prepared it is based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.



### **3.1 The Plan should Consider Differing Development and Infrastructure Requirements across 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 subsequent impact on unique development and infrastructure requirements of different areas across London, including requirements such as job creation, high street regeneration, new investment and social needs. Policy E9.B.1 outlines the importance of considering future requirements and locations for new retail development, including local evidence of demand and supply. Policy E9.9.1 also outlines the importance of considering local needs such as town centre vitality, viability & diversity and sustainability and accessibility when managing clusters of retail and associated uses. There is therefore risk that application of a uniform restriction on A5 permissions will impact these policies.

Should the proposal to restrict A5 permissions within 400m of schools go ahead, there would be few places for new hot food takeaways to open across London. There would be a 56% reduction in the area available for development within KFC identified trade zone requirements across London (when excluding parks and garden areas). This reduction is 94% when looking solely at London zones 1-3. The potential impact of the policy is mapped in appendix 3.

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. We would be willing to support future research to determine what the optimum number might look like as part our commitment to working with the government to tackle the obesity crisis.

### **3.2 Social and Economic Implications**

The number of hot food takeaways that might be refused due to policy E9.C and the resulting social and economic impacts are unknown.

The hot food takeaway sector is a key employer of young people. For example, at KFC we (including our franchisee partners) employ over 5,000 people across London, c. 65% of which are young adults. We offer flexible working patterns and provide training and development opportunities that are valuable to our employee's futures, including apprenticeship programmes and even a business management degree. We were certified as Britain's top employer in 2012, 2013, 2014, 2015 & 2016 becoming the first company to win the award for five consecutive years running.

We typically open 10 new restaurants in London each year, equating to investment of approximately £5-10m, creating over 300 additional jobs at KFC and 300 tradesperson jobs. If the proposed policy were implemented, we may be unable to continue to open this number of restaurants, which could result in significant annual loss of investment and job opportunities from us alone. Should areas outside of London also adopt such policy these numbers could magnify. The possible loss of revenues raised through business rates, employment taxes and section 106 payments from the hot food takeaway industry should also be taken into account.

We should consider that many hot food takeaways are independent or run by local franchisees and so the proposed measure would hurt local businesses, for example, c. 90% of our 910 restaurants are owned by independent business owners.

Food and drink establishments add to the vibrancy of high streets and shopping centres. It is important that there are a diverse mix to entice customers and increase footfall, from department stores to supermarkets to speciality stores to restaurants. The policy may prevent the regeneration of local high streets as the number of units that may become vacant for lack of viable uses if new A5 permissions are restricted is unknown. This in turn may encourage people to drive more to reach jobs and facilities that were previously available in local high streets and town centres.

Due to the forces of supply and demand, an increase in rents on A5 premises (and subsequent rise on non-A5 properties) could lead to more vacant premises, reduced footfall 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.

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.

As previously discussed, the numbers of hot food takeaways across various areas in London will differ significantly. For example, there are 95 neighbourhoods within London where we have no presence, these include Oxford Circus, Canary Wharf / Isle of Dogs, Victoria, Elephant and Castle, London Bridge, Soho and Holborn. The proposed policy may prevent new food establishments from opening in these areas, reducing customer choice.

We believe that 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 retail policies to manage over-concentrations of A5 uses in their development plans, and so a solution that encourages better implementation of these policies may be more effective in enabling a tailored resolution, accounting for local needs.

#### 4. Measures Implemented should be based on Evidence (Justified)

In this section we discuss whether the proposed policy is justified, which is one of the 4 key tests of soundness used to evaluate spatial plans.

There is little 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 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.

The draft London plan suggests that the proposal to restrict the proliferation of hot food takeaways, particularly around schools is based on the recommendation of health experts (paragraph 6.9.7), however it is unknown which studies have been used to suggest there is a

causal link between childhood obesity and proximity of hot food establishments to schools, specifically at 400m.

We have commissioned a literature review of recent academic studies from the UK and across the world looking at childhood obesity levels and any links between schools and food retailers. The results show that there is limited or no evidence of a causal relationship and the evidence base is inconclusive.

#### **4.1 There is Limited or no Evidence of a Causal Relationship**

A study 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. This suggests that further research is required to understand if there is a relationship between concentration of hot food takeaways and obesity levels.

Another study MacIntyre et al (2005) found that those living in poorer areas of Glasgow are not more likely to be exposed to out-of-home eating outlets, serving energy dense food, in their neighbourhoods. Their findings showed that the density of outlets and the likelihood of having any outlets, was highest in the second most affluent quintile (Q2) and lowest in the second most deprived quintile (Q4). The study shows that there may be misconceptions regarding associations between numbers of hot food takeaway establishments and deprived neighbourhoods.

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. A US study Burdette et al (2004) found no independent relationship between child weight gain and fast food outlet, proximity to playgrounds or the level of neighbourhood crime. UK study, 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.

#### **4.2 Obesity has Complex and Multiple Causes**

A number of factors have been identified as prominent causes of child obesity. A study by Simmons et al (2005) found that the obesity epidemic exists among those without significant consumption of or availability to takeaway foods. Their result highlighted that the obesity epidemic relates strongly to reduced physical activity, but not to the consumption of takeaway food. A review by Barton (2009) stated that 'studies of the location of fast food outlets affecting diet are also inconclusive. It seems that eating habits are largely a cultural, habitual matter, and are not heavily influenced by spatial planning.' We should consider that the most effective solution may look to address all key influences that impact child health, particularly active travel.

#### 4.3 The Implications from Introducing A5 Restrictions are Unknown

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 Hobbs, M. (2018) 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 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. We would be happy to fund the undertaking of such a study, as part our commitment to working with the government to tackle the obesity crisis.

We would like to raise awareness that a representative of KFC has engaged with local councils and attended several examinations in public to discuss draft policies that apply zonal restrictions on A5 permissions around schools for public health reasons. Following discussion on whether the policy meets the 4 tests of soundness used to evaluate spatial plans – effective, justified, positively prepared and consistent with national policy, many of the councils amended their draft policies. Examples of such amendments include removing zone restrictions or introducing proportional limits, applying exceptions for town centres and drive through formats or removing primary schools from zone exclusions.

#### 5. The Plan should be Consistent with National Policy

In this section we discuss whether the proposed policy is consistent with national policy and thus enables delivery of sustainable development in accordance with the policies in the Framework, which is one of the 4 key tests of soundness used to evaluate spatial plans.

The National Planning Policy Framework (NPPF) recognises the role planning takes in better enabling people to live healthier lifestyles. However, it seeks to do this by creating choice, increasing access to recreation & health services and by ensuring developments are walkable.

The Planning Policy Guidance (PPG) discusses the food environment in locations where children and young people congregate, but avoids suggesting policies like E9.C in the draft London Plans.

## 6. Proposed Solutions

### 6.1. Working with you to Develop a 'Schools Pact' Policy

We are committed to working with the government and other community stakeholders to promote healthier choice for children specifically. As part of this we would like to propose working with you, local schools and communities to devise and test a 'schools pact', such that for every new KFC opening near a school within the M25, a range of health supportive measures are adopted. This is something that we could investigate and develop in partnership with you, and then test in London boroughs, with the idea that the successful model could be applied to the wider food on the go sector. Such measures could include:

- Revised advertising policies for within the store and local community
- Specific nutritional commitments with regards to product available in those restaurants to children
- Community projects to encourage physical activity
- Working with local schools on policies around serving children in uniform

### 6.2. We are Focused on Continuously Improving our Health and Wellbeing Focus

At KFC we recognise that obesity is a major health challenge that needs to be addressed and that we as a major player in the food & drink industry have a special role to play. We are keen to work with the government and the food-to-go industry at large to address the problem and improve the integrity of the food environment.

Accordingly, we are working on a series of initiatives to achieve a 20% reduction in calories per serving by 2025. Based on 2017 figures, this would equate to a reduction of 57.4bn calories across the KFC estate annually, equivalent to the annual calories consumed from opening 180 new KFC restaurants.

These initiatives include:

- Working with our beverage supplier Pepsi Co to move to 100% sugar-free carbonated soft drinks across all our 910 restaurants
- Launching healthier fries
- Reducing the number of portions of fries sold as a side by offering three 5-a-day vegetable side alternatives
- Non-fried chicken alternatives
- Introducing a vegetarian offering
- Expanding the < 600 calorie range
- Ongoing product reformulation to the core menu from sugar and salt reduction programmes
- Introduce a pricing structure to encourage sales of healthier choice options
- Improved labelling in restaurants, with easier access to nutrition information and clear communication about the number of portions included in a meal

### 6.3. Alternative Measures

We have outlined KFC specific actions that can be taken as alternative measures to the proposed policy to address the nation's health. Some further proposals we suggest that may be more effective include:

- Undertaking more research to understand the impact of the whole food offer around schools, including a review of the effectiveness of implementing zonal A5 restrictions and the implications they have. We would be happy to fund the undertaking of such objective research, as part of our commitment to working with the government to tackle the obesity crisis
- All food establishments to sign up to a set of national standards, so that the whole food offer 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
- 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
- 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

## 7. Summary

We at KFC recognise that obesity is a major health challenge facing the capital and are committed to working with the government, food and drinks industry and other related parties to implement an effective approach to address the problem. We would like to propose that rather than enforcing policy that looks to restrict A5 permissions, we work together to improve the integrity of the whole food environment and consider the alternative solutions to address the problem outlined in this representation.

Our proposal to work towards a 20% reduction in calories per serving by 2025 alone would save approximately 57.4bn calories annually based on 2017 figures. This is equivalent to the annual calories consumed from opening 180 new restaurants.

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 childhood obesity, whilst avoiding unintended economic societal implications.

London loves KFC. And KFC loves London.

If you would like to discuss further, please contact:

Chris Holmes (Chief Development Officer at KFC GB) at [Christopher.Holmes@yum.com](mailto:Christopher.Holmes@yum.com)

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## 9. Appendices

### 9.1. Appendix 1: KFC's Nutritional Strategy & Advertising Practices

#### 9.1.1. KFC's Nutritional Strategy

As part of KFC's commitment to taking proactive measures towards improving nutrition, we have delivered on the following:

- We were the first in our sector to sign up to the Department of Health (DoH) Responsibility Deal on kcals in 2011
- Healthier choices including <500 calorie salad and <500 calorie rice box were introduced in 2003 and 2015 respectively
- We have been 100% artificial Trans Fat free since 2007
- We have removed palm oil across our range, starting with frying oil in 2011 to the removal of it as an ingredient across the entire KFC branded offering in 2015.
- Our range of low and zero calorie beverages has been extended across all restaurants and we have trialled the introduction of Sparkling Water
- Trials of healthier non-fried products, including Brazer in 2011, BBQ Rancher in 2012 and Pulled Chicken in 2015 have been delivered
- A national trial of healthier, reduced-fat, thicker cut fries is underway

We understand more action is required to address national health issues, which is why we are working towards a 20% reduction in calories per serving by 2025, via the methods outlined in section 6.

#### 9.1.2. KFC's Advertising Practices

In addition to improving the availability of nutritious options, we recognise the importance of responsible advertising and the impact it can have on the food choices children make. We have therefore delivered on the following:

- We wish to set ourselves as an industry benchmark in out of home advertising and endeavour to ensure that we will not appear on any panel within 100m of a school
- In accordance with OFCOM HFSS restrictions we do not place ads in programming with a high proportion of children viewing. We adhere to regulations regarding cinema advertising and do not appear in any film where 25%+ of the audience is under 16. When delivering digital display advertising and native digital content in digital we apply a 16+ filter to ensure we only reach an audience over 16 years of age
- Whilst we are keen to appeal to a wider customer segment as possible, we do appreciate that our products need to be eaten as part of a wider balanced diet. To support this we do not advertise directly to children through any media. We do offer a kids meal which is nutritionally balanced and offer an option for families with younger children who eat with us
- Within this we do not offer toys or marketing links so not to drive pester power and we do not externally advertise these products

### 9.1.3. Partnerships

We are keen to explore ways in which we can create meaningful partnerships to address childhood obesity and encourage an all-round healthier society. We have already started to make progress in this area and are keen to investigate the following ideas:

- Working with suppliers and key industry stakeholders to define industry health standards. We have already started engaging with organisations to discuss this idea including the BRC, Just Eat, Deliveroo & Pepsico
- Facilitating local community sessions in our London restaurants to seek public opinion on action the industry can take to improve the integrity of the food environment
- Building a consortium of school representatives to work with to develop ideas to promote healthier choice for children specifically. This could include the development of a 'schools pact', whereby new hot food establishments opening near schools within the M25 adopt a range of health supportive measures
- Working with schools to improve the facilitation / development of sports within school (and against other local schools) and working with local community sports clubs

## 9.2. Appendix 2: KFC Community Contribution

We have been a vibrant part of local communities in London since 1968 and are committed to supporting these communities by creating meaningful careers and recognised training for local people, contributing to the local community, running sites responsibly and reducing our environmental impact.

### 9.2.1. Creating Meaningful Careers and Recognised Training for Local People

We (including our franchisee partners) employ over 5,000 people across London and offer flexible working patterns that our employees value. C. 65% of our teams are young adults looking for an opportunity to step into the world of work and our core strength lies in providing the training and development that will be valuable to their futures. Many people have big careers with us but if they choose to move on we know they'll have learnt valuable transferable skills.

When a new KFC is opened in London it typically creates over 30 employment opportunities, with around two thirds of them going to people who live within two miles of the restaurant. We are working towards our target to match 25% of new jobs to local, unemployed young people who need additional support to work.

We look to promote internally and anticipate 80% of our vacancies are filled internally and recruits can step into management positions within 12 weeks of joining. We create a career path for all our restaurant teams and offer a range of training and accredited qualifications, including the intermediate and advanced



NVQ apprenticeship in hospitality management and even a 3 years honours degree for some restaurant managers.

We were certified as Britain's top employer in 2012, 2013, 2014, 2015 & 2016, becoming the first company to win the award for five consecutive years running.

### **9.2.2. Contributing to the Local Community**

We typically open 10 new restaurants in London each year, equating to investment of approximately £5-£10m and creating around 300 tradesperson jobs.

We set up the KFC Add Hope Foundation which supports charities with a focus on education and skills development for vulnerable children in the UK and overseas. In May 2014, we created our Food Donation Scheme to donate unsold chicken from our restaurants to local charities. Our first trial store was in Brixton and this is now live in over 500 restaurants in the UK and Ireland. We have donated over 170,000 meals to date with a bold goal to donate over 500,000 by the end of this year.

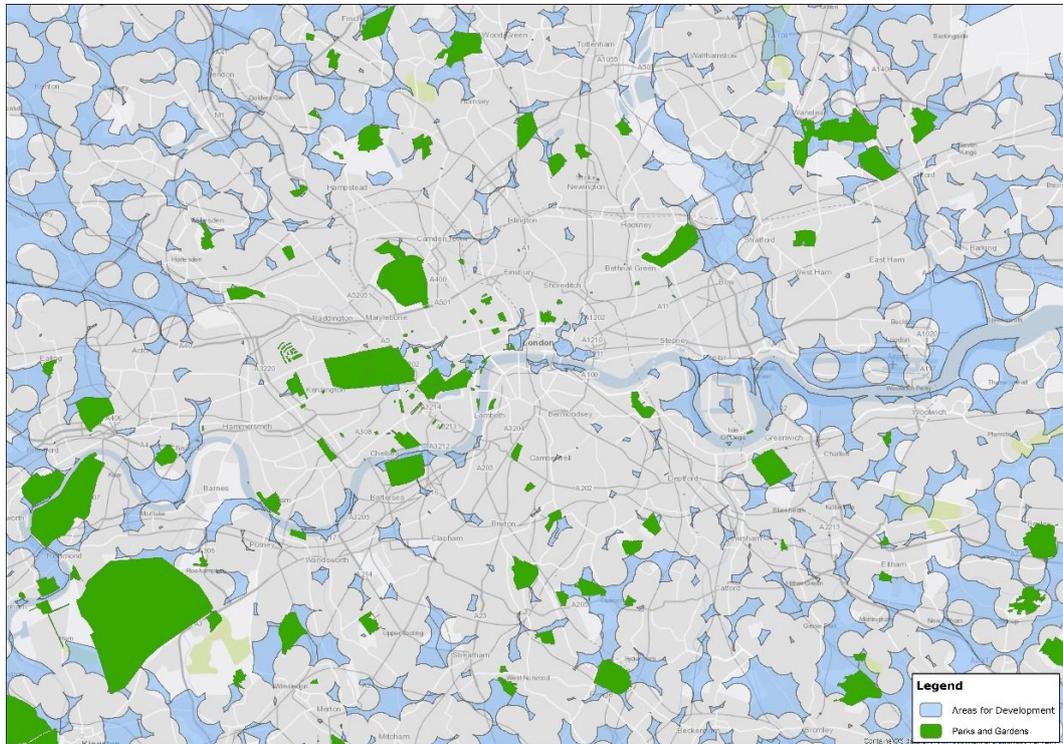
We play our part in regenerating local communities and sensitively design and build new restaurants taking into consideration local concerns and meet local planning requirements. Sometimes we start from scratch and build new sustainable restaurants, but we also restore old buildings and because we're flexible in our design and approach we can retain features to ensure the restaurant fits comfortably in its local surroundings. Some examples of our most recent restaurants that have been designed to work with the local environment are shown in appendix 4.

We recognise the impact of litter on local communities and have a clear responsibility to minimise litter in and around our restaurants. Every restaurant has a litter-picking programme and we work with local and national partners to prevent and manage litter. At a national level we are proud to have signed the Keep Britain Tidy Litter Prevention Commitment, being one of the first organisations in the UK to sign and commit.

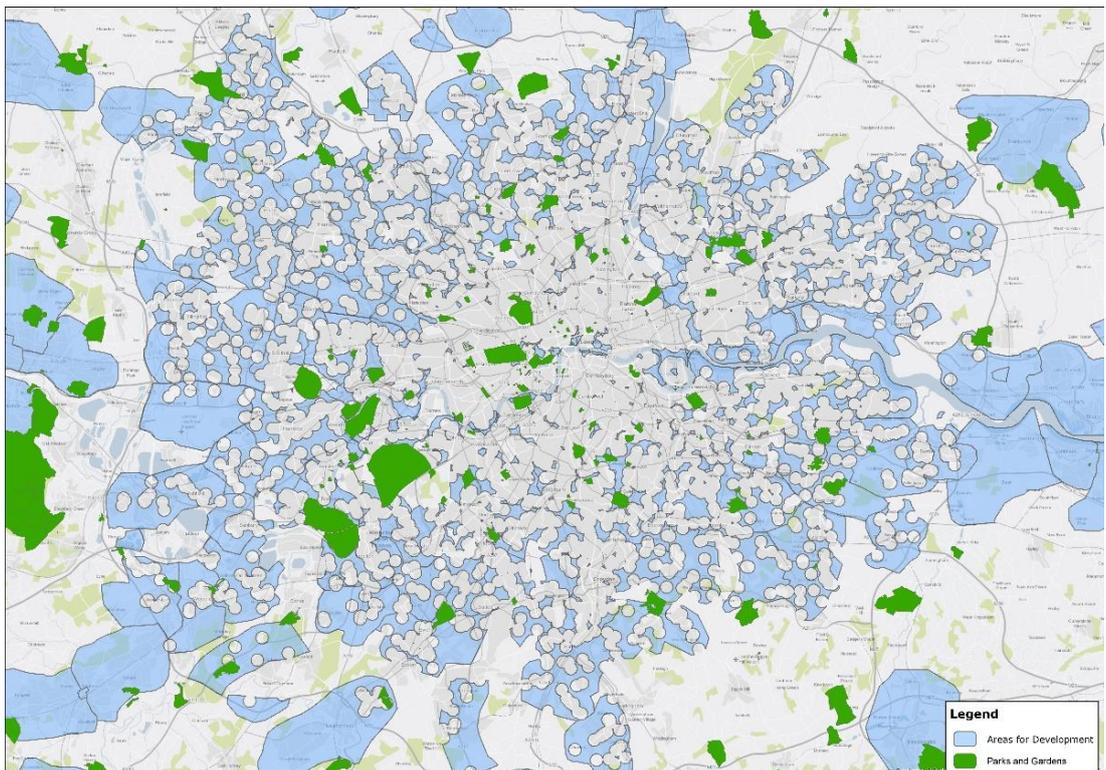
We are also working on reducing our impact on the environment. To this end we will be launching our sustainability strategy later in 2018 which will include reviewing our packaging and looking at the energy efficiency of our operations.

9.3. Appendix 3: Areas available for Development within KFC Identified Trade Zone Requirements, within the M25, after 400m Zonal Exclusion Applied

9.3.1. Areas Available for Development within KFC identified Trade Zone Requirements, within London Zones 1-3, after 400m Zonal Exclusion Applied:

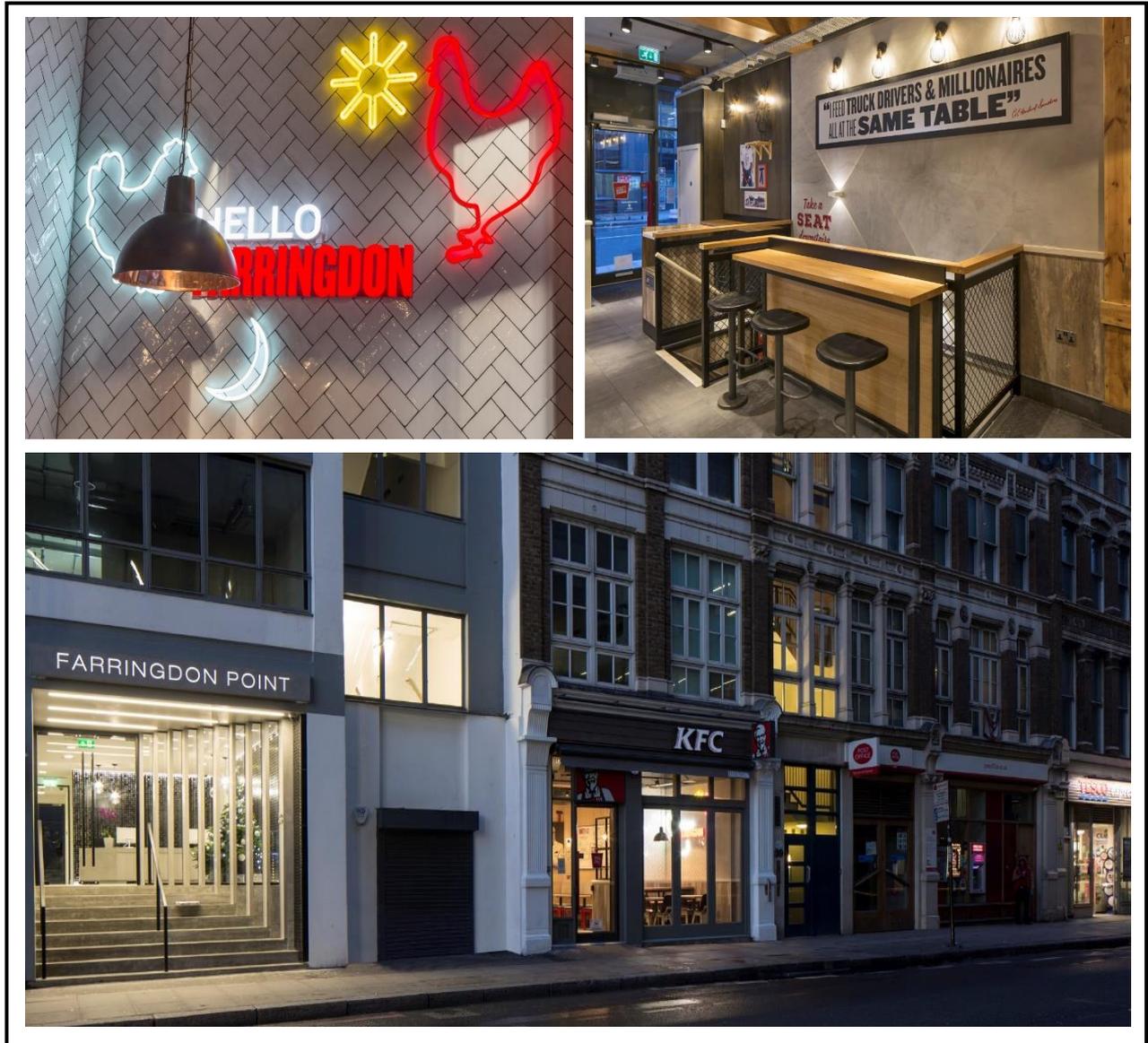


9.3.2. Areas Available for Development within KFC identified Trade Zone Requirements, within the M25, after 400m Zonal Exclusion Applied:



9.4. Appendix 4: Examples of KFC Restaurants Designed to Work with the Local Environment

9.4.1. Farringdon KFC Restaurant:



9.4.2. Borough KFC Restaurant:



9.4.3. Wimbledon KFC Restaurant:

