Consultation on the proposal to extend the single-use carrier bag charge to all retailers and to increase the minimum charge to 10p

December 2018
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Introduction

1. The government wants to leave our environment in a better state than we found it. The 25 Year Environment Plan, published on 11 January 2018 outlined the steps that will be taken to achieve that ambition, including new measures to eliminate all avoidable plastic waste. It included a specific commitment to extend the single use carrier bag charge to small retailers on a mandatory basis if voluntary approaches were deemed ineffective. In August the Prime Minister announced plans to consult on a mandatory extension and on possibly increasing the charge to 10p.

2. The government is already a world leader in tackling plastic waste, not only in introducing the existing 5p carrier bag charge in 2015 that has already reduced consumption of single use carrier bags by 86% but also in banning microbeads in certain cosmetic products. These initiatives have proved effective and have met with strong public support and enthusiasm.

3. Since the publication of the 25 Year Plan we have made significant strides in our ambition to demonstrate global leadership in tackling plastic waste. Specifically, we launched a consultation in October on proposals to ban the distribution and/or sales of plastic straws, plastic-stemmed cotton buds and plastic drink stirrers in England. Following a call for evidence earlier in the year, at Budget 2018, the Chancellor announced plans to introduce a brand new tax on the production and import of plastic packaging, from April 2022. Subject to consultation, this tax will apply to plastic packaging which does not contain at least 30% recycled plastic. Alongside planned reforms to the Packaging Producer Responsibility System, which will provide incentives for producers to design packaging that is easier to recycle, this will transform the financial incentives for manufacturers to produce more sustainable packaging. At Budget 2018, the government also announced that it will be providing £20 million to support plastics innovation to reduce plastics waste and improve sustainability.

4. Many businesses have taken significant steps to reduce consumption of single use carrier bags with many of the major supermarkets now having withdrawn or announcing plans to withdraw supply of single use carrier bags and instead providing alternative, returnable, bags for life. Many smaller stores have chosen to voluntarily introduce a 5p charge for supply of single use carrier bags to their customers.

5. The government’s action to reduce consumption of single-use plastic carrier bags and their effects on the environment has already brought significant benefits. The minimum charge of 5p on these bags was introduced for large retailers in England in October 2015 and in the last two years alone we have seen a reduction in the supply of single use carrier bags by the major supermarkets of 13 billion compared to levels before the introduction of the charge. Additionally, last year alone saw retailers donate £51 million to charities and other good causes from the proceeds.

6. However, with 1.7 billion bags supplied by large retailers last year and an estimated 3.4 billion supplied by small and medium-sized enterprises (SMEs) at the time the legislation was introduced, the government believes that further measures are necessary. We want to ensure supply of single use carrier bags is kept to an absolute minimum in order to maximise efficient use of our resources and to reduce still further the impacts of discarded bags on our environment, both on land and in our seas and rivers when they are either littered or discarded incorrectly after use.

7. The government believes plastic production needs to be directed towards ensuring that fewer single use plastics are produced and more reuse and recyclable materials are preferred and promoted. We want to ensure that we have fewer single use items of composite and difficult to recycle plastics produced. We want to support research and development, innovation to finding
solutions to increase the recyclability of plastics and alternatives to commonly used single use plastics. The government has therefore committed a £61.4 million package of funding to boost global research and help countries across the Commonwealth to stop plastic waste from entering the oceans in the first place. The government has also committed support for research and development of biodegradable plastics through the Industrial Strategy Challenge Fund, including the development of biodegradable plastic packaging and bags.

8. But we acknowledge that more needs to be done to protect the environment from the scourge of plastic waste. We have now published our new Resources and Waste Strategy. The aim of the strategy is to make the UK a world leader in resource efficiency and resource productivity and to increase competitiveness. It sets out how we will work towards our ambitions to doubling resource productivity and achieve zero avoidable waste by 2050, maximise the value we extract from our resources and minimise the negative impacts associated with their production, use and disposal.

Purpose of this consultation

9. This consultation aims to build on the success that the existing single use carrier bags charging legislation in addressing the impact of plastic bags in the open environment, on landfills or marine environment.

Scope of this consultation

10. The consultation seeks views and evidence on:

- extending the charge to SMEs (but without any reporting requirements)
- increasing the charge to 10p
- requiring "producers" of single use carrier bags to report the volume they place on the market (as an extension of existing packaging producer reporting obligations)
- remove exemption from the 5p charge for retailers in security restricted areas at airports

Geographical scope

11. This consultation primarily applies to England only. However our proposal to require producers of single use carrier bags to report volumes they place on the market would also apply to Scottish and Welsh producers.

Responsible body

12. This consultation is being carried out by Defra’s Resources and Waste Team on behalf of the UK government.

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1 Resources and Waste Strategy
Legislative change

13. We will make necessary amendments to the existing carrier bag charging legislation using powers in the Climate Change Act 2008. The instrument making these amendments will be subject to the negative parliamentary procedure.

Audience

14. This is a public consultation and it is open to anyone with an interest to provide comments. The consultation should be of particular interest to all small, micro and large businesses who supply single use carrier bags, online retailers, businesses involved in the manufacturing, export and import of plastic bags, producers placing plastics on the market, local authorities and non-governmental organisations (NGOs) concerned about their impact on the environment.

Duration

15. This consultation will run for 8 weeks. The consultation opens 27 December 2018 and closes at midnight on 22 February 2019.

Responding to this consultation

Please respond to this consultation using the citizen space consultation hub at: https://consult.defra.gov.uk/environmental-quality/extending-the-single-use-bags-charge/. By email to PlasticBagCharge@defra.gov.uk or in writing to: Defra, Single Use Carrier Bags, Resources and Waste Team, Ground Floor NE, Seacole Building, 2 Marsham Street, London, SW1P 4DF.

After the consultation

16. After the consultation, a summary of the responses will be published and placed on the government website at www.gov.uk/defra.

17. Information provided in response to this consultation, including personal data, may be published or disclosed in accordance with the access to information regimes these are primarily the Environmental Information Regulations 2004 (EIRs), the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 2018 (DPA). We have obligations, mainly under the EIRs, FOIA and DPA, to disclose information to particular recipients or to the public in certain circumstances.

18. If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the Department is bound by the Freedom of Information Act and may therefore, be obliged to disclose all or some of the information you provide. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.
19. The Department of Environment Food and Rural Affairs will process your personal data in accordance with the law and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

20. This consultation is being conducted in line with the “Consultation Principles” as set out in the Better Regulation Executive guidance which can be found at https://www.gov.uk/government/publications/consultation-principles-guidance.

21. If you have any comments or complaints about the consultation process, please address them to: By e-mail: consultation.coordinator@defra.gsi.gov.uk or in writing to: Consultation Coordinator, Area 1C, Nobel House, 17 Smith Square, London, SW1P 3JR.

Background

23. The Single Use Carrier Bags Charges (England) Order 2015 requires retailers with over 250 employees to:
   • charge a minimum for 5p for supply of Single Use Carrier Bags to customers for collections and deliveries
   • provide Defra with data by 31 May each year on the number of single use carrier bags sold, gross and net income derived from sales in the previous reporting year (April-March).

24. A single use carrier bag is defined as being 70 microns thick or less, has handles, an opening and is not sealed. Exemptions from these charging and reporting requirements apply for bags used for the carriage of specific goods such as fresh meat and fish and supply of returnable, reusable bags (so called “bags for life”). An exemption also applies to bags supplied on modes of transport and areas designated as security restricted areas under Section 11A of the Aviation Security Act 1982.

25. The charge is not a tax and so the government cannot mandate how money raised from the charge is distributed. Retailers that have obligations under the regulations are however encouraged to donate proceeds from the charge to charities, community groups and other good causes. There is voluntary reporting of data on funds donated to good causes as part of the annual reporting submission.

26. Following a consultation\(^2\), the charge was introduced in October 2015 and has had a transformational impact on the number of single use carrier bags supplied to customers by large retailers and in particular the 7 main supermarkets – Asda, Marks & Spencer, Sainsbury, Tesco, The Co-operative Group, Waitrose and Morrisons.

27. An analysis of the latest data shows:
   • Sale of 1.75 billion single use carrier bags during the year April 2017 to March 2018 compared to an estimated 10 billion prior to the introduction of the charge
   • Of which around 1 billion were supplied by the 7 main supermarkets – an 86% reduction since the charge was introduced.

\(^2\) Single Use plastic bag charge for England: Summary of responses
- Equivalent to 19 bags per person compared to 140 bags prior to 2015 and 13 billion bags taken out of circulation in the past two years
- Over £51 million donated to charities and good causes last year alone

28. A recent study by CEFAS revealed that since the 5p charge was introduced there has been an estimated 50% reduction in plastic bag marine litter. The Marine Conservation Society reporting the number of plastic bags collected during their beach cleaning activities dropped by 40% since the introduction of the charge.

29. Nevertheless, plastic bags have a significant impact on the environment with government scientists believing that plastic in the sea is set to treble in a decade unless marine litter is curbed – with over one million birds and over 100,000 sea mammals dying every year from eating and getting tangled in plastic waste.

30. The government is committed to maintaining its position as a global leader in taking measures to tackle the problem of plastic waste and as part of that commitment intends to extend the charge to small businesses and, additionally will confirm following its review of responses to this consultation whether the minimum charge will be increased to 10p.

31. Some countries have implemented an outright ban on supply of single use carrier bags. The government is not currently considering this as an option. We recognise the role that a single use carrier bags can play in spontaneous, unplanned purchasing and that alternative bag types can potentially have a significant higher carbon impact than single use carrier bags. A paper bag for example, will have to be used 3 or 4 times to achieve the same carbon impact as a single use carrier bag used once.

Proposal to extend the charge to small and medium-sized enterprises (SMEs)

32. The government commends and fully supports those small retailers that are already charging 5p for the supply of single use carrier bags. We particularly welcome the joint voluntary initiative launched by the Association of Convenience Stores (ACS) and National Federation of Retail Newsagents in March 2018 to encourage their members to charge 5p and the support provided to their membership in explaining to their customers the huge environmental benefits to be gained from reducing consumption of single use carrier bags.

33. However, our assessment ahead of introducing the charge in 2015 found small and micro retail businesses accounted for 27% of retail turnover in England, supplying an estimated 3.4 billion single use carrier bags free of charge. The assessment that accompanies this consultation estimates the market share of small businesses in the retail sector has since risen to 33%, with such businesses estimated to supply up to 3.6 billion single use carrier bags in 2018. By extending the mandatory charge to small retailers our assessment estimates a reduction of 80% in consumption of bags by the third year following its introduction and then for consumption to remain constant at 734 million bags annually (Table 8 of Impact Assessment). The net benefit to
business of introducing the charge is estimated at £54.8 million per annum. This largely arises from proceeds of sale of single use carrier bags and savings from reduced stocking, transportation and storage. Based on the approach in the original impact assessment, we assume 75% of the business proceeds from the charge are passed back to consumers in reduced prices. The estimated societal impacts represent a net benefit of £139.3 million over a 10 year period and are reflected in reduced costs of littering, GHG emissions, resource use, waste generation and treatment.

34. The government, therefore, proposes to amend regulations to extend the single use carrier bags charge to all retailers employing less than 250 employees with effect from January 2020. We do not propose to impose any reporting obligations on these businesses. These businesses are however often at the heart of the community providing a range of essential services to local people and so, as with large retailers, we would encourage them to donate proceeds from the charge to charities or local good causes.

35. We invite you to comment on whether you support this proposal and to provide any further evidence that would enhance our analysis of costs and benefits published alongside this consultation.

36. In the absence of data reporting obligations placed on small businesses, it is important to ensure the impact of this change can be fully assessed. The government is considering asking producers of plastic packaging to separately report the number of single use carrier bags they place on the market in England, Scotland and Wales as part of their current reporting obligations under the Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (as amended).

37. We would welcome your views on this proposal and any suggestions for alternative ways that you believe would enable a proper evaluation of the impact of this measure.

Proposal to increase the single use carrier bags charge to minimum 10p.

38. As previously stated the 5p charge on single use carrier bags has been hugely successful in reducing consumption since its introduction. Most of the seven large supermarkets have recently ceased to supply or announce plans to withdraw single use carrier bags from their stores. However, other large retailers reported the supplied over 700 million single use carrier bags in the period April 2017 to March 2018. In our impact assessment undertaken prior to the introduction of the charge to large retailers, we estimated that small retailers supplied 3.4 billion single use carrier bags annually. The assessment of costs and benefits accompanying this consultation estimates that figure will fall in Option 1 by 80% in the third year with annual consumption of 734 million single use carrier bags in future years as a consequence of extending the charge to small businesses.

39. However, by increasing the charge to 10p we forecast a 90% reduction in supply of single use carrier bags by large retailers in the first year. Small retailers are expected to see an initial reduction of 23%, gradually falling to 90% in the third year. Total consumption of 521 million single use carrier bags is estimated in year three and for this to then remain constant. This compares with current consumption estimated at 4.5 billion (see Table 9 of Impact Assessment).
40. The objective of the charge is to move consumer behaviour away from using single use carrier bags and encourage the use of alternative options, such as “bags for life”. It is desirable to encourage consumers to use alternatives as many times as possible. A Post Implementation Review of the Welsh Carrier Bag charge found that on average, consumers reused ‘Bags for Life’ 25.5 times compared to 3.6 times for single use carrier bags. This compares favourably with the study undertaken by the Environment Agency which concluded that bags for life should be used at least 4 times to achieve the same carbon impact as a single use carrier bag used once.

41. The Welsh study also found an initial 141% increase in the supply of bags for life on introduction of the single use carrier bags charge. It is assumed a similar spike will appear in England after the increase in charge to minimum 10p. After the first year, we then assume an increase of 2% per annum based on historical data provided by WRAP on carrier bag usage from 2010-2014. Overall, we estimate a 53% reduction in the overall use of bags by 2028 compared to current consumption (see table 1). However, we would welcome further evidence from respondents on this point to strengthen our analysis.

Table 1: Bag usage in England, millions, 2018 to 2028.

<table>
<thead>
<tr>
<th>Years</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>% change (2018-2028)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single use carrier bags</td>
<td>4,575</td>
<td>2,978</td>
<td>1,622</td>
<td>521</td>
<td>521</td>
<td>521</td>
<td>521</td>
<td>521</td>
<td>521</td>
<td>521</td>
<td>521</td>
<td>-89%</td>
</tr>
<tr>
<td>Bags for life</td>
<td>713</td>
<td>752</td>
<td>792</td>
<td>832</td>
<td>858</td>
<td>885</td>
<td>912</td>
<td>941</td>
<td>971</td>
<td>1,003</td>
<td>1,036</td>
<td>45%</td>
</tr>
<tr>
<td>Paper bags</td>
<td>256</td>
<td>273</td>
<td>294</td>
<td>312</td>
<td>332</td>
<td>354</td>
<td>377</td>
<td>402</td>
<td>429</td>
<td>458</td>
<td>489</td>
<td>91%</td>
</tr>
<tr>
<td>Bin Liners</td>
<td>984</td>
<td>1,025</td>
<td>1,025</td>
<td>1,025</td>
<td>1,025</td>
<td>1,025</td>
<td>1,025</td>
<td>1,025</td>
<td>1,025</td>
<td>1,025</td>
<td>1,025</td>
<td>4%</td>
</tr>
<tr>
<td>Total bag usage</td>
<td>6,528</td>
<td>5,028</td>
<td>3,732</td>
<td>2,691</td>
<td>2,736</td>
<td>2,784</td>
<td>2,835</td>
<td>2,889</td>
<td>2,946</td>
<td>3,007</td>
<td>3,070</td>
<td>-53%</td>
</tr>
</tbody>
</table>

Source: Defra single use impact assessment.

42. The net benefit to business of increasing the charge is estimated at £101 million per annum. This largely arises through increased proceeds from the sale of single use carrier bags and savings from reduced stocking, transportation and storage. We assume 75% of these business proceeds are passed back to consumers in reduced prices. The estimated societal impacts represent a net benefit of £163.9 million over a 10 year period and are reflected in reduced costs of littering, GHG emissions, resource use, waste generation and treatment.

43. The government therefore, proposes to increase the mandatory carrier bag charge to a minimum of 10p for all retailers with effect from January 2020.

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7 Post implementation review of the Welsh Carrier bag charge
8 Life cycle assessment of supermarkets
44. We invite you to comment on whether you support this proposal and to provide any further evidence that would enhance our analysis of costs and benefits published alongside this consultation.

Proposal to remove the exemption for single use carrier bags supplied at airports.

45. The existing legislation provides for an exemption for goods in transit. The exemption extends to single use carrier bags supplied in areas designated as a security restricted area under section 11A of the Aviation Security Act 1982. The government does not see a justification to maintain the general exemption insofar as it relates to those retail outlets located in security restricted areas at airports (apart from the Duty-Free shops where alcohol and tobacco is placed in a sealed plastic bags) and therefore is considering removing it. However we welcome views on this proposal. Plastic bags supplied for carriage of liquids in hand luggage will remain outside the criteria of the legislation.

Monitoring and enforcement

46. Local authorities in England are responsible for enforcing the existing legislation under section 77(4) of the Climate Change Act 2008 and section 20(3) of the Regulatory Sanctions and Enforcement Act 2008. This will continue to be the case.

Questions

Q1. What is your name?

Q2. What is your email address?

Q3. What is the name of your organisation?

Q4. It would be helpful in our analysis if you could indicate which of the sectors you most align yourself/your organisation for the purpose of this consultation:

   a) Public body
   b) Non-governmental organisation
   c) Small retailer (under 250 employees)
   d) Large retailer (over 250 employees)
   e) Manufacturer of single use carrier bags
   f) Importer of single use carrier bags
   g) Member of the public
   h) Other

Q5. The government proposes to extend the Single Use Carrier Bag charge to all retailers in England. Do you agree with this proposal?
Q6. Do you agree with the assumptions and the assessment of costs and benefits in the impact assessment on extending the charge to all retailers?

a) Yes
b) No
c) I neither agree nor disagree
d) I don’t know / I don’t have enough information

Please give reasons for your answer. Where available, please provide supporting evidence.

Q7. Do you support the proposal to increase the minimum charge from 5p to 10p?

a) Yes
b) No
c) I neither agree nor disagree
d) I don’t know / I don’t have enough information

Please give reasons for your answer. Where available, please provide supporting evidence.

Q8. Do you agree with the government’s assessment of the impact on the consumption of single use carrier bags as a consequence of increasing the charge from 5p to 10p?

a) Yes
b) No
c) I neither agree nor disagree
d) I don’t know / I don’t have enough information

Please give reasons for your answer. Where available, please provide supporting evidence.

Q9. Do you agree with the government’s assessment of the impact on consumption of bags for life as a consequence of increasing the charge from 5p to 10p?

a) Yes
b) No
c) I neither agree nor disagree
d) I don’t know / I don’t have enough information

Please give reasons for your answer. Where available, please provide supporting evidence.
Q10. Would you support a requirement for producers of plastic packaging to separately report the number of single use carrier bags they place on the UK market as part of their obligation under the Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (see para 36)?

   a) Yes
   b) No
   c) I neither agree nor disagree
   d) I don’t know / I don’t have enough information

Please give reasons for your answer. Where available, please provide supporting evidence.

Q11. Do you support the proposal to remove the existing exemption for carrier bags supplied at security restricted areas at airports (apart for the supply of duty-free alcohol and tobacco sales in sealed bags)?

   a) Yes
   b) No
   c) I neither agree nor disagree
   d) I don’t know / I don’t have enough information

Please give reasons for your answer. Where available, please provide supporting evidence.

Q12. Do you support the proposed date of January 2020 by which changes will enter force?

   a) Yes
   b) No
   c) I neither agree nor disagree
   d) I don’t know / I don’t have enough information

Please give reasons for your answer. Where available, please provide supporting evidence.

Q13. Please provide any evidence or information that moving to a mandatory approach would encourage small retailers to act more uniformly, indicating the level of enforcement that might be needed?

Q14. Please provide any evidence that demonstrates large retailers’ levels of compliance with the existing obligation to charge a minimum of 5p for single use carrier bags?

Q15. Is there anything else you would like to tell us relating to the proposals set out in the consultation? In particular, is there any additional evidence that we should consider.