The Single Use Carrier Bag Charge

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Summary

A five pence charge will come into effect on single use carrier bags in England on 5 October 2015. Defra has emphasised that the charge is not a tax and (with the exception of any VAT included in the charge) the money from the charge does not go to the government. The charge in England, which will be paid by customers to retailers, follows the introduction of similar levies in other parts of the UK. Wales and Northern Ireland introduced a 5p levy on single use carrier bags in 2011 and 2013 respectively. The Scottish Government implemented their own charge in October 2014. The purpose of each single use carrier bag charge is to reduce the number of bags given out, increase their re-use and reduce litter.

The terms for each single use carrier bag charge are slightly different in each part of the UK. Notable differences between the charges include:

- In England, small and medium-sized enterprises (retailers employing less than 250 staff) are exempt from applying the charge.
- In Wales, Scotland and Northern Ireland, biodegradable and most types of paper bags are included and so are charged for. In England, paper bags are exempt.
- In England, Wales and Scotland, retailers are free to use the proceeds of the charge as they wish (although they are strongly encouraged to donate them to “good causes”). In Northern Ireland, regulations require that the proceeds go to the Department of the Environment.

In the year following the introduction of the Welsh charge, plastic bag use there fell by 76%. In Scotland, although there have not yet been any official figures released, it was reported in one newspaper that Morrisons had seen an 80% reduction in single use carrier bags use following the introduction of the charge. Similarly, the Northern Ireland Government stated that there had been a “drastic” reduction in bag use there amounting to a 71% reduction in the first year of the charge. This also raised over £4 million in proceeds.

On 19 January 2015 changes were introduced to the charge in Northern Ireland. The levy there now applies to all new carrier bags with a retail price below 20p, regardless of what they are made from. This change was to ensure that cheap reusable bags are also charged for, so that customers are encouraged to reuse reusable bags to their full potential.

This note sets out the arrangements surrounding the single use carrier bag charge in each part of the UK. It also looks at some of the criticisms and controversies surrounding the charge, particularly whether or not biodegradable bags should be included or exempt.
1. The Single Use Carrier Bag Charge

A 5p charge will come into effect on single use carrier bags in England on 5 October 2015. The term “single use carrier bag” generally refers to the conventional, lightweight, plastic carrier bags (made from polyethylene) offered to customers in almost all UK supermarkets. The charge coming into effect in England, which will be paid by customers, follows the introduction of similar charges in other parts of the UK. Wales and Northern Ireland introduced a levy on single use carrier bags in 2011 and 2013 respectively. The Scottish Government implemented their own charge in October 2014. The purpose of each charge is to reduce the number of bags given out, increase their re-use and reduce litter.

The Climate Change Act 2008 and the Climate Change (Scotland) Act 2009 provide the legislative framework for the single use carrier bag charge. These acts allowed the devolved administrations to introduce their own regulations for a charge via secondary legislation. Each devolved administration has since introduced their own statutory instrument which sets out the terms for the charge in their country. Defra has emphasised that the charge is not a tax and (with the exception of any VAT included in the charge) the money from the charge does not go to the government.¹ The terms of each charge are slightly different in each part of the UK. Each UK national authority is free, for instance, to set their own amount for the charge and define exactly which bags are to be covered or exempt. The various regulations in England, Wales and Scotland allow retailers to use the proceeds of the charge as they wish (although they are strongly encouraged to donate these to good causes). In Northern Ireland, the regulations require that proceeds go to the Department of the Environment. The charge which will take effect in England in October also carries greater exemptions than those which apply to charges in other parts of the UK. Notably, organisations in England with less than 250 employees will be exempt from implementing the charge, although they can voluntarily choose to do so.

This note sets out the arrangements surrounding the single use carrier bag charge in each part of the UK. It considers each carrier bag charge individually, and also looks at some of the criticisms and controversies surrounding the charge, particularly whether or not biodegradable bags should be included or exempt.

1.1 Background

It has been estimated that in 2013 supermarkets gave out over 8 billion single use carrier bags across the UK – nearly 130 bags per person. In 2014, these figures increased for the fifth year running to 8.5 billion. Many of these bags end up as litter – on streets, beaches and in the countryside. Clearing up this litter costs taxpayers in England alone around £10 million a year. The production and disposal of plastic bags can also have a negative impact on the environment, through the oil used in their creation and the tonnes of plastic which go into landfill. Plastic bags can be particularly damaging for marine environments. According to the European Commission, in the North Sea the stomachs of 94% of all birds contain plastic.

Many governments have taken initiatives to reduce the use of disposable plastic bags. In 1994, for instance, Denmark introduced a tax on plastic and paper bags for retailers. This resulted in a significant reduction in their use, with retailers promoting the use of reusable bags.

The Republic of Ireland was the first country in the world to introduce a plastic bag charge for consumers. A levy at the rate of 15 cents (13p) per bag was introduced there on 4 March 2002 (rising to 22 cents, or 18p, in 2007). Its purpose was to reduce the consumption of disposable plastic bags by influencing consumer behaviour. According to the Irish Government, the levy had an immediate effect, “with a decrease in plastic bag usage from an estimated 328 bags per capita to 21 bags per capita overnight”.

Governments in the UK have previously sought to limit carrier bag use through voluntary measures with retailers. Between 2006 and 2009 there was a voluntary agreement between the four governments across the UK, the British Retail Consortium and its supermarket members, to reduce thin-gauge carrier bags by 50% by the spring of 2009 against a 2006 baseline. This met with some success (although the target was narrowly missed) with a 48% reduction measured for the UK. However, the number of plastic bags in use increased between 2011 and 2012 – by 4.4% in England, by 1.1% in Scotland and by 3% in Northern Ireland.

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2 Defra, Waste and recycling: policy, 27 March 2015 [accessed on 21 April 2015]  
3 Defra, Plastic bag numbers rise for the fifth year, 24 July 2015 [accessed 24.07.15]  
4 Defra, Call for Evidence: Single-Use Plastic Bag Charge for England, November 2013, p3  
5 European Commission, MEMO/13/945, 4 November 2013  
6 European Commission, MEMO/13/945, 4 November 2013  
7 Environment, Community and Local Government, Plastic Bags, [accessed on 17 March 2015]  
8 Written evidence submitted by WRAP for the Environmental Audit Committee’s inquiry into plastic bags, BAG 031, 18 December 2013, para 7  
9 WRAP, UK Voluntary Carrier Bag Monitoring – 2013, July 2013, p16
All of the devolved administrations in the UK have since introduced, or are introducing, a charge on single use carrier bags in order to reduce their use and litter. Wales was the first to do so, introducing a charge there in 2011. During the first year following the introduction of the charge, the number of bags used in Wales dropped by 76%\(^\text{10}\) Northern Ireland and Scotland have since introduced their own charges. England's will follow in October 2015.

### 1.2 Legislative basis for the charge

The *Climate Change Act 2008* and the *Climate Change (Scotland) Act 2009* provided the legal powers to enable UK national authorities to introduce a charge on sellers of goods for single use plastic bags supplied to customers. Section 77 of the *Climate Change Act 2008* sets out the arrangements for introducing regulations on single use plastic bag charges in England, Wales and Northern Ireland:

#### 77 Charges for single use carrier bags.

1. Schedule 6 makes provision about charges for single use carrier bags.
2. In that Schedule—.
   - Part 1 confers power on the relevant national authority to make regulations about charges for single use carrier bags;
   - Part 2 makes provision about civil sanctions;
   - Part 3 makes provision about the procedures applying to regulations under the Schedule.
3. In that Schedule "the relevant national authority" means—.
   - (a) the Secretary of State in relation to England; .
   - (b) the Welsh Ministers in relation to Wales; .
   - (c) the Department of the Environment in Northern Ireland in relation to Northern Ireland.\(^\text{11}\)

Section 88 of the *Climate Change (Scotland) 2009 Act* sets out the arrangements for the regulations introducing the charge in Scotland.\(^\text{12}\) Neither of the Climate Change acts provided for the relevant Government to determine the destination of the proceeds raised by the charge.

Detailed arrangements for each charging scheme were later set out in different secondary legislation for each country. The relevant Statutory Instruments (SIs) are as follows:

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\(^{10}\) Ibid
\(^{11}\) *Climate Change Act 2008*, Section 77
\(^{12}\) *Climate Change Act (Scotland) 2009*, Section 88
7 The Single Use Carrier Bag Charge

- The Single Use Carrier Bag Charges (England) 2015, SI 2015/776
- The Single Use Carrier Bags Charge (Wales) Regulations 2010, SI 2010/2880 (W.238)
- The Single Use Carrier Bags Charge (Wales) (Amendment) Regulations 2011, SI 2011/2184 (W. 236)
- The Single Use Carrier Bags Charge (Scotland) Regulations 2014, SI 201/161
- The Single Use Carrier Bags Charge (Fixed Penalty Notices and Amendment) (Scotland) Regulations 2015, SI 2015/159
- The Single Use Carrier Bags Charge Regulations (Northern Ireland) 2013, SI 2013/04

In 2013 the European Commission also adopted a proposal that required Member States to reduce their use of lightweight plastic carrier bags. This amended the Packaging and Packaging Waste Directive by requiring Member States to adopt measures to reduce the consumption of plastic carrier bags with a thickness of below 50 microns, which often end up as litter. The proposal also included the use of economic measures, such as charges, national reduction targets and marketing restrictions, as long as these measures did not impose significant restrictions in the internal market.

2. Single Use Carrier Bag Charge in England

In 2014, over 7.5 billion single use carrier bags were handed out by major supermarkets in England, which represents an increase of 3.2% compared with 2013. Although voluntary agreements between the Government and supermarkets reduced the number of bags taken by shoppers in 2009, once it ended the number of plastic bags used in England increased by 21.4% between 2010 and 2014. By contrast, following the introduction of the single use carrier bag charge in Wales, plastic bag use fell there by 78% during the same period.

In September 2013 the then Deputy Prime Minister Nick Clegg announced plans to introduce a mandatory minimum 5p charge for

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16 Ibid.
single use plastic carrier bags in England from autumn 2015. A call for evidence was launched in late 2013, during which the UK Government indicated that it did not intend to replicate the Welsh charge exactly. Instead, the UK Government opted to include greater exemptions than existed under the Welsh scheme. Significantly, exemptions were proposed for organisations with less than 250 employees and for biodegradable and paper bags. The exemption for biodegradable bags was later dropped.

A draft Statutory Instrument (SI) was laid by the Government on 21 January 2015 to introduce a minimum 5p charge on single use carrier bags in England. The Instrument was approved by the House of Lords on 11 March 2015, and received approval in the Commons on 18 March. The charge will come into effect on 5 October 2015.

2.1 What is covered by the English charge?

Retailers must charge a minimum of five pence (including any VAT) for any single use carrier bag used for goods sold or delivered in England. A single use carrier bag is defined as “an unused bag made of lightweight plastic material with handles, other than an excluded bag”. Lightweight plastic material means synthetic or semi-synthetic material “made from polyamide, polyethylene, polylactic acid, polyvinyl chloride or other polymer, or any combination of polymers, the thickness of which is not greater than 70 microns”. According to the Government, this definition will ensure that all bags given out by retailers as single use bags will be covered. There are, however, certain exemptions from the English charge, such as those sold as “bags for life”. These are discussed below.

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18 Defra, Call for Evidence: Single Use Plastic Bag Charge for England, November 2013, paras 9, 13, 40-47
19 The Government had previously laid a draft SI on 17 December 2014 to introduce this charge. It was later withdrawn, owing to an error in the instrument. The draft SI tabled on 21 January was its replacement.
21 The Single Use Carrier Bag Charges (England) Order 2015, SI2015/776, Article 3
22 The Single Use Carrier Bag Charges (England) Order 2015, SI2015/776, Schedule 2 (1)
23 The Single Use Carrier Bag Charges (England) Order 2015, SI2015/776, Article 2
24 Explanatory Memorandum, The Single Use Carrier Bags Charges (England) Order, para 7.10
2.2 Exemptions from the charge

The following types of bag are exempt from the charge in England:25

- returnable multiple reuse bags (bags for life)
- bags without handles
- woven plastic bags
- bags intended solely for unwrapped food
- bags intended solely for unwrapped goods contaminated with soil (e.g. loose seeds)
- bags intended for unwrapped blades
- bags intended for prescription-only medicines
- bags intended to hold live aquatic creatures
- bags intended for uncooked meat
- bags distributed in places of transit (e.g. boats, trains and airports)

Bags for life

Returnable multiple reuse bags (known as bags for life) are exempt from the charge in England if they are:

- sold for 5p or more;
- returnable to the seller to be replaced free of charge;
- 50 to 70 microns thick; and
- at least 404mm by 439mm (in either width or height, and excluding any gussets or handles).26

Small and Medium Sized Enterprises (SMEs)

Unlike in other parts of the UK, small and medium sized enterprises (SMEs) will be exempt from having to apply the charge in England, although they can voluntarily choose to participate. Only retailers who employ 250 or more full-time equivalent employees are required to charge for single use carrier bags.27

The Environmental Audit Committee argued in its 2014 report into plastic bags that this exemption for small retailers was unnecessary and should be removed from the English charge.28 The Government did not accept this recommendation in its response to the Committee, and has continued to argue that the exemption should and will apply to SMEs.29

In response to a PQ in early 2015, the Parliamentary Under-Secretary for Environment, Food and Rural Affairs told MPs that the SME exemption

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25 Defra, Reducing and managing waste, 10 March 2015 [accessed 19 March 2015]
26 The Single Use Carrier Bag Charges (England) Order 2015, SI2015/776, Schedule 2(2)(g)
was to avoid imposing new administrative burdens on start-ups and growing businesses in England:

> We have chosen to exempt small and medium businesses (with fewer than 250 employees) from the plastic bag charge to avoid placing an administrative burden on start-up and growing businesses at a time when we are supporting growth in the economy.

> Large companies make up the major proportion of the country’s retail market. For example, the relatively small number of retail companies in the UK with more than 500 employees employ 65% of people working in retail and have 69% of annual retail business turnover.

> We have no plans to remove the exemption for small and medium businesses, although those businesses are able to charge on a voluntary basis.30

### Biodegradable bags

The Government initially included an exemption from the English charge for biodegradable bags.31 Biodegradable refers to a process whereby material breaks down and is colonised and metabolised by microbes.32 According to research carried out by Loughborough University, there is no agreed standard for biodegradability:

> the term biodegradable does not specify the extent, time-scale or conditions under which biodegradation has taken place. The term compostable is more precisely defined. According to the European standard on compostable packaging materials, EN13432, a biodegradation level of at least 90% must be achieved in less than six months for a plastic to be described as compostable.33

The initial exemption for biodegradable bags from the English charge was in contrast to the charges introduced in Wales, Scotland and Northern Ireland, which all applied to biodegradable bags.

However, during the Environmental Audit Committee’s 2014 inquiry into plastic bags, Defra told the Committee that there is currently no bag that met its own “ambitious standards” for a biodegradable bag. The Committee also received a variety of evidence relating to the proposed biodegradability exemption, which showed opposing views on whether biodegradable products can be safely recycled. Recyclers told the Committee that oxo-biodegradable materials would contaminate the waste stream because the additives that cause the plastic to

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30 [PQ 222668](https://www.parliament.uk/documents/commons-debates/2015-02-10/222668/) [Plastic Bags], 3 February 2015
32 Loughborough University, [Assessing the environmental impacts of oxo-degradable plastics across their life cycle](https://www.lboro.ac.uk/环境科学/环境科学教务长办公室/环境科学教务长办公室研究/Assessing_the_environmental_impacts_of_oxo-degradable_plastics_across_their_life_cycle.pdf), January 2010, p1
33 Ibid, p1
degrade will remain in recycled products and lower the quality and durability of recycled products. However, the Committee was alerted to a South African study which concluded that oxo-biodegradable plastic could be recycled without affecting the performance of recycled plastic.

Recycling organisations also expressed concern that an exemption from the charge would lead to an increased use of biodegradable bags, and that this might threaten the viability of the UK recycling industry. British Polythene Industries stated that they are:

totally opposed to any exemptions for biodegradable bags, this would be environmental madness. Far from benefiting the environment, any exemption would inevitably lead to an increase in the use of carrier bags containing a degradable additive, these bags would—after use—enter and contaminate the plastic films waste stream. This contamination would cause huge damage to the UK plastic films recycling industry and inevitably lead to a reduction in the amount of waste plastic films recycled in the UK.

The Environmental Audit Committee’s report recommended that the Government remove the exemption for biodegradable bags from the 5p charge in England. The Government agreed to this recommendation in its June 2014 response. However, it stated that they would continue to work with the industry to develop a standard of biodegradable bag which met environmental standards and which could therefore be exempt. The regulations approved by both Houses of Parliament for the charge included a requirement that the Secretary of State carries out a review of existing industry standards for biodegradability and report to Parliament by October 2015 on whether there is an appropriate industry standard for a biodegradable bag that could be exempt, and how this would be implemented.

**Paper bags**

Paper bags will be exempt from the single use carrier bag charge in England. Again, this is in contrast to arrangements in Scotland, Wales and Northern Ireland, which all include most paper bags in their levy.
The Environmental Audit Committee has argued that paper bags should be included in the English charge, pointing out that they can have a greater environmental impact than plastic ones.

Paper bags can have a greater emissions impact than plastic bags. Exempting paper bags from the charge, as the Government proposes [for England], would weaken the message to reuse bags, diminish the impact of the charge and the likely reduction in the number of bags used and associated environmental benefits. The Government should therefore include paper bags in the charge.40

The Government did not agree with this recommendation, however, and paper bags continue to remain exempt from the charge in England. Defra have stated that

The proposed plastic bag charge in England is a targeted, proportionate approach to the problem of carrier bag distribution and littering. It will therefore focus on plastic bags and not on paper bags, as paper bags make up less than 0.1% of carrier bags distributed in the UK by the seven major supermarket retailers.41

2.3 Proceeds of the English charge

Under the regulations governing the English charge, retailers are required to report on the number of bags they charge for, and where the proceeds have gone.42 This is in order to monitor the effectiveness of the policy. Once ‘reasonable costs’ are deducted, retailers are encouraged to give the proceeds of the charge to good causes, although there is no obligation to do so. It is for the retailer to choose which causes to support. The Government has estimated that the English charge will raise around £70 million per year for charity.43

Retailers can also retain a portion of the proceeds to cover any impact costs of the charge (known as ‘reasonable costs’), which is estimated to be a £26 million cost over 10 years.44 HM Treasury also plans to take VAT from the proceeds of the bag charge (just under 1p of the 5p charge) and expects to raise around £19 million per annum from this.45

40 Environmental Audit Committee, Plastic Bags, Eleventh Report of Session 2013-14, February 2014, para 27
41 Defra, Charging for single use plastic carrier bags, 9 April 2013 [accessed on 2 April 2015]
42 The Single Use Carrier Bag Charges (England) Order 2015, SI2015/776, Schedule 3 (2)
43 Environmental Audit Committee, Plastic Bags, Eleventh Report of Session 2013-14, February 2014, para 42
44 Explanatory Memorandum, The Single Use Carrier Bags Charges (England) Order, para 10.4
45 Environmental Audit Committee, Plastic Bags, Eleventh Report of Session 2013-14, February 2014, para 45
2.4 Resources for retailers in England

Defra’s guidance for retailers (published 23 March 2015) provides a useful overview and can be found here: Carrier bag charges: retailers’ responsibilities.

Defra published a policy paper on 17 July 2015 which provides further information for consumers and others about the introduction of the 5p charge: Single-use plastic carrier bags: why we’re introducing the charge.

Defra has also produced some posters for retailers to download, print and display in their shops, which can be found here. If the materials aren’t in a format that meets retailers’ needs, they can contact Defra via email: PlasticBagCharge@defra.gsi.gov.uk

3. Single Use Carrier Bag Charge in Wales

During 2009-10 an estimated 350 million carrier bags were given out by major supermarkets in Wales. In May 2009 there was a successful voluntary agreement with supermarkets which saw the number of single use carrier bags issued fall there in May 2009. The Welsh Government then introduced a 5p charge on all single use carrier bags on 1 October 2011. The aim of the levy was to “drastically reduce the number of bags given away in Wales”. During 2014, 77 million carrier bags were given out by major supermarkets in Wales.

3.1 What is covered by the Welsh charge?

The Single Use Carrier Bags Charge (Wales) Regulations sets out what is covered by the Welsh Charge. Under its terms, single use carrier bags include bags made wholly or mainly from plastic, paper or plant-based starch (such as compostable or biodegradable bags) which are not intended for multiple reuse. According to the regulations, a bag is intended for multiple reuse if it:

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46 Defra’s materials are all Crown copyright 2015 but retailers may re-use them free of charge in any format or medium, under the terms of the Open Government Licence v3.
47 www.carrierbagchargewales.gov.uk [accessed on 14 April 2015]
49 The Single Use Carrier Bags Charge (Wales) Regulations 2010, SI 2010/2880
Paper bags are included in the Welsh charge because “they are not an environmentally friendly alternative” to plastic ones, and are “still a waste of natural resources”. The Welsh Government similarly argued that even starch based biodegradable bags and fully compostable bags use natural resources, and have therefore been included. “If these are only used for one trip and not composted, these are a bigger waste of resources than conventional plastic carrier bags”.

3.2 Exemptions from the Welsh charge

Bags that are designed to be used regularly, such as a bag for life, do not fall under the Welsh charge. There are also specific exemptions for bags made from cloth, jute, cotton and hessian. Similarly, retailers do not need to charge customers for single use carrier bags if they are used for the following:

- Food items that are unwrapped – loose fruit and vegetables, bread, pick and mix sweets etc. This includes food items that are partly unwrapped – food placed in a sleeve or other part open wrapper.
- Loose seeds, bulbs, corms or rhizomes – loose grass seed, flower bulbs, seed potatoes etc.
- Unpackaged blades - axe, knife blade or razor blade.
- Unpackaged plants or flowers that could have been contaminated by soil.
- Packaged uncooked:
  - fish or fish products – a pouch of raw fish fillets or raw minced fish meat.
  - meat or meat products – pre-packed raw steak or packet of raw beef burgers or sausages etc.
  - poultry or poultry products – a pack of raw chicken fillets or raw turkey mince etc.

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50 [www.carrierbagchargewales.gov.uk](http://www.carrierbagchargewales.gov.uk) [accessed on 23 April 2015]
51 [www.carrierbagchargewales.gov.uk](http://www.carrierbagchargewales.gov.uk) [accessed on 23 April 2015]
52 [www.carrierbagchargewales.gov.uk/retailers/bagsnotincluded/?lang=en](http://www.carrierbagchargewales.gov.uk/retailers/bagsnotincluded/?lang=en) [accessed on 14 April 2015]
Further details on exemptions from the Welsh levy on single use carrier bags can be found on the carrier bag charge Wales website.

3.3 Proceeds of the Welsh Charge

Retailers in Wales who employ more than 10 staff are required to keep an accurate record of the number of bags charged for, the proceeds raised and what was done with these. However, the regulations do not specify what should be done with the proceeds. The Welsh Government has emphasised that they want the proceeds to be donated to good causes in Wales, “preferably environmental good causes”. Guidance issued by the Welsh Government states that a good cause could be anything from a school, local community group or national charity.\(^5^3\)

VAT-registered businesses in Wales will be required to charge the standard rate of VAT on single-use bags. However, customers will pay the same minimum amount for the charge (5p) regardless of the VAT status of the business. In other words, a VAT-registered business will charge 4.17 pence plus VAT; a non-VAT-registered business will charge the minimum 5 pence.\(^5^4\)

A voluntary agreement has been developed by the Welsh Government to help guide retailers on where the proceeds of the charge should go. It includes the following principles which the Government expects retailers to adhere to:

- The net proceeds are passed on to good causes.
- Where possible, the net proceeds will benefit Wales.
- The use of the net proceeds will provide additionally over and above any existing arrangements. That is, where a seller already provides funding to a particular good cause, that funding will not be replaced by the net proceeds, nor will the use of the net proceeds otherwise adversely influence the levels of funding provided under existing arrangements.
- Retailers with 10 or more FTE employees will supply a copy of, or link to, their annual record to the Welsh Assembly Government when published for monitoring purposes.
- Retailers with less than 10 FTE employees will provide a statement outlining the name of the good cause/s to which the money has been given.\(^5^5\)

\(^5^3\) [www.carrierbagchargewales.gov.uk/consumers/proceeds/?lang=en](http://www.carrierbagchargewales.gov.uk/consumers/proceeds/?lang=en)

\(^5^4\) [Revenue & Customs Brief 23/11: VAT: introduction of the levy on ‘single use’ carrier bags in Wales](http://www.carrierbagchargewales.gov.uk/retailers/reportingback/?lang=en)

\(^5^5\) [http://www.carrierbagchargewales.gov.uk/retailers/reportingback/?lang=en](http://www.carrierbagchargewales.gov.uk/retailers/reportingback/?lang=en)
3.4 Impact of the Welsh Charge

An initial impact summary of the Welsh charge from July 2012 looked at 13 retailers and reported reductions of 35-69% in single use carrier bags following the introduction of the charge. The Welsh Minister for Environment and Sustainable Development also reported that the charge has helped to increase own bag use in Wales across all age groups and genders – from 61% to 82% – in 2012.

In March 2013 the Welsh Government published a behavioural study on the use and re-use of carrier bags. This study included a telephone survey of 1012 Welsh households and 4884 observations of Welsh consumer behaviour. The study highlighted that the charge has had a strong effect on the Welsh consumer, with more than half saying they take less single use carrier bags. 57% of those said this was to avoid the cost, while 35.4% said this was due to environmental reasons. Overall, the study concluded that

The 5p charge has had a significant impact on new SUCB use, particularly within food chains in which only 15.8% of Welsh shoppers were observed taking new SUCB.

The Environmental Audit Committee’s 2014 report on plastic bags also noted that between 2011 and 2012, the use of single use carrier bags in Wales fell by 76%. The Committee concluded that the 5p charge there had been “highly effective” in substantially reducing bag use.

During 2014, WRAP reported that 77 million carrier bags were given out by major supermarkets in Wales, which represents a 78% decrease from 2010.
4. Single Use Carrier Bag Charge in Scotland

On average, Scotland uses 750 million single use carrier bags a year, and more bags per person than England, Wales or Northern Ireland. The SNP’s 2011 election manifesto contained a commitment to “seek to phase out free plastic bags in supermarkets”; and the Scottish Government launched a three-month consultation on this in June 2012. In May 2014 the Scottish Parliament passed regulations to introduce a 5p charge on single use carrier bags. The Single Use Carrier Bags Charge (Scotland) Regulations 2014 came into effect on 20 October 2014. In 2014, about 656 million single use plastic bags were handed out by major supermarkets in Scotland.

The aim of the Scottish charge is to reduce litter by encouraging the reuse of single use carrier bags. The website carrierbagchargesscotland.org.uk states:

The charge aims to encourage shoppers to think about reusing bags in order to prevent litter and combat our throw away culture. The charge aims to encourage shoppers to make using a bag for life a habit wherever practicable.

[...]

Carrier bags in the litter stream are a visible aspect of litter. Their mobility means they can also end up in water courses and, ultimately, the marine environment, where they can be particularly damaging. The carrier bag charge should result in a reduced number of those ending up as litter. This will have community, environmental and economic benefits for Scotland.

The Single Use Carrier Bags Charge (Scotland) Regulations 2014 established criminal offences for retailers found to be in breach of the regulations. The Climate Change (Scotland) Act was also amended to allow for Fixed Penalties in respect of these offences. The Single Use Carrier Bags Charge (Fixed Penalty Notices and Amendment) (Scotland) Regulations 2015, SI 2015/159 specifies local authorities as the enforcement authorities in relation to these Fixed Penalties and sets the amount of a Fixed Penalty at £200, alongside a discounted amount of £100 to incentivise early payment.

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64  The Single Use Carrier Bags Charge (Scotland) Regulations 2014, SSI 2014/161
66  ‘Carrier Bag Charge Scotland FAQ’, carrierbagchargesscotland.org.uk [accessed on 9 January 2015]
4.1 What is covered by the Scottish Charge?

Under the Scottish regulations, retailers are required to charge a minimum of 5p for each new single use carrier bag, including paper bags, and those made from some plant based materials and plastic.

Zero Waste Scotland, which is funded by the Scottish Government to deliver its Zero Waste Plan, offers clarification on what is meant by the term single use carrier bag under the terms of the Scottish Regulations. It is defined broadly as ‘all carrier bags that are supplied with the intention that they are to be used once, to carry goods away from the point of sale’. For bags made wholly or mainly from plastic then the bag is considered to be a single use carrier bag if either of the following apply:

- Made of thin plastic (any part of the bag has a thickness of no more than 49 microns); or
- Less than 439mm x 404mm when laid flat (excluding the handles).

Other plastic bags, bags made wholly or mainly from paper, plant based material (other than cotton, flax, hemp, jute or sisal) or natural starch are also seen as single use carrier bags, unless the bag is a multi-use bag which is:

- Purchased by the customer;
- Returnable to the retailer from whom it was purchased to be replaced free of charge when it is worn out;
- Clearly marked that it can be returned and replaced in this way.67

4.2 Exemptions from the Scottish Charge

The Scottish regulations have a number of exemptions from the 5p charge. These include:

- Bags of any size used solely to contain exempted items listed in the Regulations. These include, unpackaged food for consumption, unpackaged loose seeds, unpackaged blades and certain medical products.

Bags of a certain size used solely to contain packaged uncooked meat, poultry and fish.

Certain small bags (including small paper bags no greater than 175mmx260mm).

Bags of any size used to contain items purchased in airports and on board vehicles, vessels and aircraft.

4.3 Proceeds of the Scottish Charge

The Single Use Carrier Bag Charge (Scotland) Regulations 2014 specifies that all retailers who employ ten or more full time equivalent staff must keep a record of both the number of single use carrier bags supplied and the money received through the charge. However, the regulations do not specify how the net proceeds of the charge should be used. This decision is one for individual businesses to make. The Scottish Government has encouraged all retailers to donate the net proceeds from the charge to “good causes in Scotland, particularly environmental good causes”.

Although it is up to individual retailers to decide what to do with the net proceeds, there are schemes for businesses to sign up to in order to donate to good causes and report how they have used the proceeds.

Zero Waste Scotland have signed up 160 retailers to their “Carrier Bag Commitment”, meaning that they have agreed to donate the proceeds to good causes, and report on how many bags they have sold and how they’ve used the money.

Marks and Spencer, McDonald’s, The Co-Operative Group and Superdry are among those who have committed.

VAT-registered businesses in Scotland are required to charge the standard rate of VAT on single use carrier bags, although they can include this in the minimum charge. In other words, a VAT-registered business must charge 4.17 pence plus VAT at 0.73 pence. Non-registered VAT businesses must charge the minimum 5p.

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68 Which bags are exempt from the requirement to charge?, Zero Waste Scotland [accessed 14 March 2015]
69 The Single Use Carrier Bags Charge (Scotland) Regulations 2014, SSI 2014/161, Part 3
71 What does the carrier bag charge mean for Scotland?, BBC News, 20 October 2014
4.4 Impact of the Scottish Charge

In its 2012 consultation, *Safeguarding Scotland’s Resources*, the Scottish Government estimated that the charge could raise £5-6 million per annum, based on an 80% reduction in bag use.73

In November 2014 a Scottish newspaper reported a dramatic reduction in plastic bag use following the introduction of the charge. *The Herald* quoted an Asda spokesperson who had said that there had been a 90% reduction in the number of plastic bags distributed across its Scottish stores. Morrisons also reported an 80% reduction in the use of single use plastic bags.74 WRAP reported that in 2014, about 656 million single use plastic bags were handed out by major supermarkets in Scotland, which represents a decrease of 18.3% from 2013.75

The regulations specify that businesses employing 10 or more full time equivalent members of staff must keep and produce records about the single use carrier bag charge in Scotland. The first reporting year ended on 6 April 2015 and official figures should be available soon.

5. Carrier Bag Levy, Northern Ireland

A carrier bag levy was introduced in Northern Ireland on 8 April 2013.76 It required retailers to charge at least 5p for new single use carrier bags. The aim of this charge “is to protect the environment by cutting substantially the number of carrier bags” used in Northern Ireland.77

Prior to the introduction of this levy, it was estimated that around 250 million carrier bags a year were distributed in Northern Ireland.78

On 19 January 2015 changes were introduced in Northern Ireland and the levy now applies to all new carrier bags with a retail price below 20p, regardless of what they are made from.79 This change was to ensure that cheap reusable bags are also charged for, so that customers are encouraged to reuse reusable bags to their full potential. The Northern Ireland Government argues that the reason for this change is that

74 ‘Plastic bag use down 90% as 5p fee introduced’, *The Herald*, 21 November 2014
76 Northern Ireland Government, *The Single Use Carrier Bags Charge Regulations (Northern Ireland) 2013 No. 4*
77 Northern Ireland Government, *Carrier Bag Levy*
78 ‘Northern Ireland launches 5p plastic bag charge’, *The Guardian*, 8 April 2013
79 Northern Ireland Assembly, *Carrier Bag Act (Northern Ireland) 2014 chapter 7*
There is evidence that people purchase significantly more cheap reusable bags when a charge is applied to single use bags. Extending the levy to cheap reusable bags is intended to encourage customers to actively reuse these bags to their full potential and avoid them becoming ‘throwaway’ bags.\textsuperscript{80}

Previously, Northern Ireland had planned to raise the charge to 10p in April 2014. According to DEFRA, this was abandoned because the initial 5p charge had proved so successful.\textsuperscript{81}

### 5.1 What is covered by the Northern Ireland charge?

The 5p levy in Northern Ireland applies to all new carrier bags with a retail price of less than 20p. This includes bags intended to be used to carry goods on a single occasion as well as bags manufactured for multiple reuse (reusable bags). The levy is not restricted to plastic bags: it applies to bags made from any material, including paper, plant-based material or starch.\textsuperscript{82} According to the carrier bag levy website, there is no exemption in Northern Ireland for bags on the basis of the material they are made because “alternatives to plastic bags can be equally or more damaging to the environment”.\textsuperscript{83}

The Northern Ireland Department of the Environment has published further guidance outlining when retailers are obligated to charge the levy. This includes when a customer:

- buys goods in person, and those goods are taken away in a carrier bag (whether immediately or later) by someone other than the seller;
- buys a carrier bag to use at a later date;
- buys goods from a distance and those goods are taken away (whether immediately or later) in a carrier bag by someone other than the seller;
- buys goods from a distance and those goods are delivered in a carrier bag by the seller or by a third party on behalf of the seller;
- pays for goods at one location, requests a carrier bag, and collects those goods from another location; and

\textsuperscript{80} Northern Ireland Government, Carrier Bag Levy
\textsuperscript{81} DEFRA, Single-Use Plastic Bag Charge for England: Call for Evidence, November 2013, para 30
\textsuperscript{82} Department of the Environment, Guidance on Carrier Bags Charging Legislation in Northern Ireland, January 2015, pp8-9
\textsuperscript{83} Northern Ireland Government, Carrier Bag Levy, 19 May 2015
uses their own bag to contain goods purchased from the seller, but requests a carrier bag to hold other goods not purchased from the seller. 84

The Carrier Bags Act (Northern Ireland) 2014 amended the 2013 regulations which introduced the 5p charge, and applied the charging to a wider variety of carrier bags – specifically the cheaper versions of reusable bags. 85 The extension was due to the fact that a range of low cost reusable carrier bags are readily available. The Northern Ireland Government have argued that faced with a choice between a single use carrier bag at 5 pence or a reusable bag at a similar price, it is likely that consumers would opt for the reusable bag, even if it costs marginally more.

This “substitution effect” could in turn mean that many consumers will use and discard these bags prematurely. This would have significant adverse environmental impacts, as such bags are typically made of heavier gauge materials than single use bags. 86

5.2 Exemption from the Northern Ireland Levy

The following bags are exempt from the Northern Ireland carrier bag charge:

- to contain take-away hot food and hot drinks
- solely to contain certain items such as unpackaged food, seeds and bulbs, axes/ knives/ razor blades, goods contaminated by soil and some medicinal products
- to carry goods purchased in an airport after you clear security
- used when you are purchasing a service (for example: shoe repair or laundry)
- of certain sizes and used solely to contain packaged uncooked meat or fish
- certain types of small bags
- specialist bags such as mail order and courier bags
- bags supplied for free to replace worn out ‘bags for life’

84 Department of the Environment, Guidance on Carrier Bags Charging Legislation in Northern Ireland, January 2015, p6
85 Northern Ireland Government, Carrier Bags Act (Northern Ireland) 2014,
86 Northern Ireland Government, Carrier Bags Act (Northern Ireland) 2014, Explanatory Notes, para 7
• carrier bags with a retail price of 20p or more\(^87\)

### 5.3 Proceeds of the Northern Ireland Levy

In contrast to the charges introduced in Wales, Scotland and England, in Northern Ireland the proceeds of the levy go to the Department of the Environment. Payments must be made by retailers on a quarterly basis. In addition, each quarter retailers are required to:

- declare the number of carrier bags they have dispensed for which they only charged the 5p levy;
- declare the number of carrier bags they have dispensed for which they charged both the 5p levy and their own retail price of less than 20 pence; and
- make the associated payment to the Department of the Environment within 28 days of the end of the quarter.\(^88\)

In 2013/14 £3.4 million of the proceeds received were spent on environment projects including 251 community led initiatives through the NIEA Challenge Fund, Natural Heritage grants, the Sustainability Innovation Fund and Local Clean-Up Support projects.\(^89\)

If retailers in Northern Ireland only charge the minimum levy (5p), then VAT is not applicable as the full 5p is paid to the Department of the Environment. If retailers decide to charge more than the minimum levy, then the full amount would be considered inclusive of VAT. Guidance from the Northern Ireland Government clarifies this point:

For example, if you charge 7p on top of the levy, then the total amount (12p) would be inclusive of VAT. The total VAT in this case would be 2p - 0.83p of this would relate to the levy, with approximately 4.17p per bag payable to the Department of the Environment.

When you submit your quarterly return, the system will automatically calculate the amount to be paid to the Department of the Environment. VAT proceeds should be paid to HMRC in the normal way.\(^90\)

\(^87\) Northern Ireland Government, Carrier Bag Levy
\(^88\) Northern Ireland Government, Carrier Bag Levy – Legislation and Guidance
\(^89\) Northern Ireland Government, Carrier Bag Levy
\(^90\) Northern Ireland Government, Carrier Bag levy – legislation and guidance
5.4 Impact of the Northern Ireland Levy

In August 2014 the Northern Ireland Government released its first set of annual statistics for its carrier bag charge, covering the period 8 April 2013 to 31 March 2014. The accompanying report stated that Northern Ireland had “embraced the carrier bag levy by reducing […] consumption of single use bags dramatically”.91

Figures indicate that during the first year of the levy 84.5 million single use carrier bags were dispensed by retailers in Northern Ireland, compared with 300 million bags in the year prior to the levy. This means that the 5p charge “has delivered a reduction in bag numbers of 71.8% in its first year and generated net proceeds of £4.17 million”.92

6. Criticism of the Charge

Although the introduction of the charge has successfully reduced bag usage in Wales and Northern Ireland (the only countries for which data is presently available), not everyone has been convinced by the merits of the single use carrier bag charge. INCPEN, the industry council for research on packaging and the environment, has criticised some of the arguments put forward to justify the levy. In regards to the claim that a carrier bag charge reduces litter, INCPEN argues that there is no correlation between the number of bags used and the number that get littered: the “number of littered bags depends on the number of thoughtless or careless people who discard them”.93 INCPEN have also argued that the fact that plastic bags do not biodegrade in landfill sites is “a good thing”. This is because “it means they do not emit greenhouse gases and do not leach chemicals into the water table”.94

Overall, INCPEN argue that there “is no justification for giving carrier bags special treatment and it gives consumers the wrong message to imply that it is a big environmental issue […] Policymakers should tackle the big problems, such as energy, food and water shortages and not focus on the trivial”.95

Similarly, the Packaging and Films Association submitted evidence to the Environmental Audit Committee’s inquiry into plastic bags arguing that there is little evidence to support the view that a net environmental benefit has occurred in Wales and Northern Ireland, as a result of the charge. Although they acknowledge the consumption of single use bags

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91  Department of the Environment, Carrier Bag Levy: Annual Statistics, 27 August 2014 [accessed on 20 April 2014], p2
92  Department of the Environment, Carrier Bag Levy: Annual Statistics, 27 August 2014 [accessed on 20 April 2014], p2
93  Industry Council for Research on Packaging and the Environment, Carrier Bags: Factsheet
94  Industry Council for Research on Packaging and the Environment, Carrier Bags: Factsheet
95  Industry Council for Research on Packaging and the Environment, Carrier Bags: Factsheet
has fallen, they claim that the increase in the product consumption of reusable bags, and their relative environmental impact, is often overlooked.\textsuperscript{96}

\textsuperscript{96} Written evidence submitted by the Packaging and Films Association submitted to the Environmental Audit Committee, \textit{BAG 009}, para 1.5
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