

**Amendments to the  
Single Use Carrier Bags (Scotland) Regulations  
2014**

**Final Business and Regulatory Impact Assessment (BRIA)**

January 2021

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## **1.0 Title of Proposal: Final Business and Regulatory Impact Assessment (BRIA) for proposed changes to the Single Use Carrier Bags (Scotland) Regulations**

1. This document is the final Business and Regulatory Impact Assessment (BRIA) for proposed changes to the Single Use Carrier Bags (Scotland) Regulations. It is written subject to the best available information at the time.

## **2.0 Purpose and Intended Effect**

### **2.1 Background**

2. Single-use carrier bags are a symbol of the throw-away culture and are associated with significant carbon and material impacts. They are also a highly visible and damaging component of litter. Through improper disposal or by being blown from bins and landfill due to their light weight and mobility, single-use carrier bags often end up in Scotland's rivers and lochs where they can be particularly damaging, with a disproportionate impact on marine wildlife.<sup>1</sup>
3. The Single Use Carrier Bags (Scotland) Regulations require all retailers (food and non-food) to charge a minimum of 5p for each new single-use carrier bag (SUCB).<sup>2</sup> The charge was introduced in 2014, is levied at the point of sale and applies to SUCBs made from paper, plastic and some plant-based materials. The aim was to encourage behaviour change in terms of bag re-use and to reduce the visible impact of litter.
4. Before 2014, roughly 800 million SUCBs were issued by major Scottish grocery retailers each year, with numbers increasing annually. A Post-Implementation Review in October 2015 indicated that 650 million fewer SUCBs were issued by 7 major retailers in the year after the introduction of the charge.<sup>3</sup> This is roughly equivalent to an 80% reduction. For the non-grocery sector, estimates of bag use reduction at 5 retailers interviewed ranged from 0% to 90%.
5. In 2019, the Scottish Retail Consortium reported that around £2.5 million was raised for good causes by its members through revenues from the sale of single-use carrier bags.<sup>4</sup> The Marine Conservation Society noted in 2016 that the number of plastic carrier bags found on Scotland's beaches had dropped two years in a row following the introduction of the 5p charge in 2014. Between 2015 and 2016 a 40% reduction was recorded<sup>5</sup>, and a further 42% between 2018-19 (from 6.4 to 3.7 bags per 100m of beach)<sup>6</sup>.

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<sup>1</sup> [RSPB Scotland consultation response: Safeguarding Scotland's resources](#)

<sup>2</sup> [The Single Use Carrier Bags Charge \(Scotland\) Regulations 2014](#)

<sup>3</sup> [Carrier bag charge: 'One year on'](#)

<sup>4</sup> [Supporting Scotland's communities: 2019 report into charitable giving and community support by the Scottish retail industry](#)

<sup>5</sup> [Marine Conservation Society: Number of plastic bags on Scotland's beaches continues to drop](#)

<sup>6</sup> Data provided by the Marine Conservation Society to Zero Waste Scotland

6. The significant potential of charging for SUCBs is also demonstrated on a UK-wide level. Data published by WRAP in 2013 suggest that between 2011-2012 every country within the UK, apart from Wales which had commenced charging for SUCBs in 2011, recorded an increase of between 1.1% - 4.4% in the number of SUCBs issued.<sup>7</sup> After the introduction of a 5p charge, the main retailers in England recorded a 95% reduction in the number of bags issued in 2020 compared to 2014, from 7.6 billion to 0.55 billion units.<sup>8</sup> A 2019 review of plastic SUCBs issued in Wales demonstrated a 73% reduction between 2011 and 2018.<sup>9</sup> There was an estimated 71.8% reduction in Northern Ireland in the first year after the introduction of the charge.<sup>10</sup>
7. It is likely that not all of the reduction in SUCB use stems from the minimum 5p charge, but that additional voluntary measures have been taken by many retailers. For example, desk-based research indicates that 9 major supermarkets in the UK, which together make up more than 90% of the industry by market share, have stopped issuing SUCBs and have instead switched to Bags For Life (BfLs). Evidence from England also suggests that, without the decision by one major retailer to stop issuing SUCBs, the number of units sold would actually have increased between 2017 and 2018.<sup>11</sup> This may be an indication that the SUCB charge may lose effectiveness over time, an effect which was also recorded in the Republic of Ireland, where the charge had a significant positive impact for 5 years, after which the charge had to be increased from €0.15 (£0.09<sup>12</sup>) to €0.22 (£0.15<sup>13</sup>) in 2007.
8. While large retailers may be taking voluntary measures above the legally required 5p charge, incentives for smaller retailers for taking further action may be lower in terms of reputational benefits. For example, the Welsh Post-Implementation Review shows that from 2015 to 2016, the number of SUCBs distributed by SMEs increased from 9.9 million to 10.2 million.<sup>14</sup>
9. The substitution of SUCBs with BfLs suggests that some of the initial benefits of the reduction in the number of SUCBs is offset by the increased use of substitute bags, including Bags for Life (BfLs) and smaller bin bags. Despite this, the Scottish Post-Implementation Review found that, annual savings of 4,349 tonnes of plastic and 2,692 tonnes of carbon were achieved in the year following the introduction of the charge.
10. However, a report published by EIA and Greenpeace UK raises concerns around the impact of the SUCB charge as it notes that BfL sales are now soaring

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<sup>7</sup> [WRAP figures on carrier bag use](#)

<sup>8</sup> [Single-use carrier bags charge: data in England for 2019 to 2020](#)

<sup>9</sup> [The sale and use of carrier bags in Wales](#)

<sup>10</sup> [Plastic bags – the Single Use Carrier Bag Charge](#)

<sup>11</sup> [Single-use plastic carrier bags charge: Data in England for 2017 to 2018](#)

<sup>12</sup> Calculated using historic 2002 exchange rate of 0.628137

<sup>13</sup> Calculated using historic 2007 exchange rate of 0.684504

<sup>14</sup> [Post-implementation review of the single use carrier bag charge in Wales: Final report](#)

as they are used by many customers as a single-use option.<sup>15</sup> This substitution effect has implications for the carbon impact of the policy. Evidence from England presents mixed impacts of the SUCB charge, which was introduced in 2015, on the sale of BfLs. While reporting on BfL sales is voluntary, some major retailers have consistently done so over the years and while some have indicated an increase in the number of BfLs between 2015 and 2020, others have reported a decrease over the same time period.<sup>16</sup>

11. It can be concluded that the minimum 5p SUCB charge, combined with voluntary SUCB price increases and a switch to BfLs by individual retailers, has had a significant effect on reducing SUCB use. This had a very positive impact on SUCB litter, the reduction in which was one of the primary policy objectives for the 2014 regulations. However, fresh impetus is required to maintain the reductions in SUCB use that have already been achieved, and to further incentivise retailers to move away from SUCBs to more sustainable alternatives. The impact on the use of BfLs also needs to be considered.

## **2.2 Objective and rationale**

12. The proposal to revise the SUCB (Scotland) Regulations 2014 forms part of the Scottish Government's wider ambition to develop a more circular economy, which aims to reduce the carbon footprint of the products and materials that we consume in Scotland and maximise resources to benefit the economy and the environment. This will help to address a growing global concern about the volume and impact of plastic pollution and litter, particularly in marine landscapes.
13. It would also ensure alignment with the recently-announced plan to increase the SUCB charge to 10p in England.<sup>17</sup>
14. Amending the Single Use Carrier Bags (Scotland) Regulations to increase the minimum carrier bag charge from 5p to 10p aims to:
  - Ensure the reduction in SUCB use to date is maintained and further reductions are achieved
  - Support an additional reduction in littering behavior
  - Increase materials and carbon savings
  - Reduce waste sent to landfill and associated costs of waste treatment
15. The circular economy contributes directly to the Environment and Economy outcomes under the National Performance Framework.<sup>18</sup> This policy is therefore aimed at directly contributing to the following National Indicators:<sup>19</sup>
  - Carbon footprint
  - Natural capital
  - Greenhouse gas emissions

<sup>15</sup> [Checking out on plastics II: Breakthroughs and backtracking from supermarkets](#)

<sup>16</sup> [Single-use plastic carrier bags charge data for England](#)

<sup>17</sup> [Single use carrier bags: extending and increasing the charge - GOV.UK \(www.gov.uk\)](#)

<sup>18</sup> [National Performance Framework](#)

<sup>19</sup> [National Indicators](#)

- Waste generated
  - Clean seas
  - Scotland's reputation
  - Perception of local area
  - Condition of protected nature sites
16. By decreasing the country's carbon footprint, the policy is expected to contribute to objectives set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.<sup>[1]</sup> The Act scales up the ambition of our targets, enshrining in law a commitment to reduce emissions by 75% by 2030 and reach net-zero by 2045.
17. Climate Change Plans present the proposals and policies for meeting these annual targets. Scotland's Climate Change Plan: Third Report on Proposals and Policies 2018-2032 (RPP3)<sup>[2]</sup> was published in February 2018. An update to the Climate Change Plan was published on 16 December 2020<sup>[3]</sup>, reflecting our updated targets. The increase of the SUCB charge will contribute directly to the following aims set out in the RPP3:
- establish a more circular economy
  - reduce all waste sent to landfill to 5% by 2025
18. In 2015, the Scottish Government signed up to support the United Nations Sustainable Development Goals.<sup>2021</sup> The ambition behind the goals is to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. The proposed policy is expected to have a positive impact on a number of these goals, most explicitly Goals 12, 13, 14 and 15:
- Responsible Consumption and Production
  - Climate Action
  - Life Below Water
  - Life on Land
19. Finally, increasing the minimum SUCB charge is expected to contribute to the Green Recovery Plan objectives set out in Protecting Scotland, renewing Scotland: The government's programme for Scotland 2020-21, which states: *"We will ensure our rural economy and Scotland's rich natural resources and biodiversity are central to our economic, environmental, and social wellbeing."*<sup>22</sup>

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<sup>[1]</sup> [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019](#)

<sup>[2]</sup> [Climate Change Plan: third report on proposals and policies 2018-2032 \(RPP3\)](#)

<sup>[3]</sup> [Climate Change Plan: Third Report on Proposals and Policies 2018-2032](#)

<sup>20</sup> [Securing a Green Recovery on a Path to Net Zero: Climate Change Plan 2018–2032 - update - gov.scot \(www.gov.scot\)](#)

<sup>21</sup> [UN Sustainable Development Goals](#)

<sup>22</sup> [Programme for Government 2020-21](#)

### 3.0 Consultation

#### 3.1 Consultation Within Government

20. This assessment has been completed with input from Rural and Environment Science and Analytical Service and has been shared with colleagues in Enterprise Directorate.

#### 3.2 Public Consultation

21. The Scottish Government put forward the proposal to increase the minimum SUCB charge from 5p to 10p in section 6 of a consultation on developing Scotland's circular economy.<sup>23</sup> The consultation was launched on 7 November 2019 and submissions were received until 19 December 2019.

22. Questions and answer possibilities related to the SUCB charge included:

*Q20: Do you agree with the proposal to increase the minimum charge on single-use carrier bags from 5p to 10p?*

- A) Yes
- B) No
- C) Neither agree nor disagree

*Q21: Do you agree that the initial 5p minimum charge on single-use carrier bags has had a positive impact on the environment?*

- A) Yes
- B) No
- C) Neither agree nor disagree

A general question was also included which allowed respondents to provide further information, if required.

23. In total, 382 responses were received for Q20. The analysis of responses reveals that a large majority (80%) of respondents agreed with the proposal to increase the SUCB charge from 5p to 10p.<sup>24</sup> Food, drink, hospitality, tourism and retail organisations were 50% in favour of the proposal and only 6% answered 'no' to this question. Individuals were more likely than organisations to answer 'yes' to this question (88% and 64%, respectively). Respondents who did not answer 'yes' to the question were more likely to say 'neither agree nor disagree' rather than 'no'. The breakdown by respondent type is as follows:

<sup>23</sup> <https://www.gov.scot/publications/delivering-scotlands-circular-economy-proposals-legislation/pages/9/>

<sup>24</sup> [Developing Scotland's Circular Economy: Proposals for Legislation. Analysis of Responses](#)

Table 1. Q20 – Do you agree with the proposal to increase the minimum charge on single-use carrier bags from 5p to 10p?

Organisation type	Yes		No		Neither agree nor disagree		Total	
	n	%	n	%	n	%	n	%
Environmental charities, third sector and community sector organisations	23	82%	2	7%	3	11%	28	100%
Public sector organisations	21	84%	-	0%	4	16%	25	100%
Food, drink, hospitality, tourism and retail organisations	9	50%	1	6%	8	44%	18	100%
Environmental consultancies & resource management organisations	12	71%	-	0%	5	29%	17	100%
Academic and professional bodies and business representative bodies	9	82%	-	0%	2	18%	11	100%
Packaging and other manufacturing organisations	2	20%	-	0%	8	80%	10	100%
Beverage and vending companies	1	8%	-	0%	11	92%	12	100%
<b>Total organisations</b>	<b>77</b>	<b>64%</b>	<b>3</b>	<b>2%</b>	<b>41</b>	<b>34%</b>	<b>121</b>	<b>100%</b>
<b>Total individuals</b>	<b>229</b>	<b>88%</b>	<b>14</b>	<b>5%</b>	<b>18</b>	<b>7%</b>	<b>261</b>	<b>100%</b>
<b>Total organisations and individuals</b>	<b>306</b>	<b>80%</b>	<b>17</b>	<b>4%</b>	<b>59</b>	<b>15%</b>	<b>382</b>	<b>100%</b>

24. In addition, 1,244 individuals who submitted responses through the Friends of the Earth Scotland campaign stated that they fully supported the Scottish Government's proposal to 'increase the minimum single-use carrier bag charge from 5p to 10p'. It may be inferred that these individuals have answered 'yes' to Question 20.
25. In total, 381 responses were received for Q21. The analysis of responses reveals that a large majority of respondents (80%) agreed that the initial 5p minimum SUCB charge had a positive impact on the environment.<sup>25</sup> Individuals



were more likely than organisations to answer 'yes' (86% and 67%, respectively). Among both groups, respondents who did not answer 'yes' were more likely to say 'neither agree nor disagree' rather than 'no'.

Table 2. Q21 – Do you agree that the initial 5p minimum charge on single-use carrier bags has had a positive impact on the environment?

Organisation type	Yes		No		Neither agree nor disagree		Total	
	n	%	n	%	n	%	n	%
<b>Environmental charities, third sector and community sector organisations</b>	23	82%	-	0%	5	18%	28	100%
<b>Public sector organisations</b>	23	92%	-	0%	2	8%	25	100%
<b>Food, drink, hospitality, tourism and retail organisations</b>	13	72%	1	6%	4	22%	18	100%
<b>Environmental consultancies &amp; resource management organisations</b>	10	59%	2	12%	5	29%	17	100%
<b>Academic and professional bodies and business representative bodies</b>	9	90%	-	0%	1	10%	10	100%
<b>Packaging and other manufacturing organisations</b>	1	10%	3	30%	6	60%	10	100%
<b>Beverage and vending companies</b>	1	8%	-	0%	11	92%	12	100%
<b>Total organisations</b>	80	67%	6	5%	34	28%	120	100%
<b>Total individuals</b>	225	86%	14	5%	22	8%	261	100%
<b>Total organisations and individuals</b>	<b>305</b>	<b>80%</b>	<b>20</b>	<b>5%</b>	<b>56</b>	<b>15%</b>	<b>381</b>	<b>100%</b>

26. In response to the request for further comments on the proposal, respondents made a number of points. First, it was pointed out that the introduction of a 5p minimum SUCB charge had indeed resulted in a reduction in their use. However,

<sup>25</sup> [Developing Scotland's Circular Economy: Proposals for Legislation. Analysis of Responses](#)

it was also noted that (i) substantial numbers of SUCBs continued to be purchased by consumers, and (ii) there had been a large increase in the purchase of bags for life, which were, in the view of some respondents, generally not appropriate alternatives to SUCBs, being often made of plastic. Respondents who raised this issue wanted to see a legal ban on all plastic bags.

### **3.3 Business Consultation**

27. The consultation with businesses was two-fold: Through the public consultation in November 2019 and through a questionnaire sent out in October 2020.
28. The public consultation received 121 responses from organisations to Q20 and 120 responses from organisations to Q21. It is not clear how many of these organisations were businesses.
29. A questionnaire to determine the impact of the SUCB charge increase on Scottish businesses was sent out to 23 businesses and business associations, with responses collected between 7 and 21 October 2020. Please see Appendix A for the full questionnaire.
30. Businesses contacted included:
  - Scottish Enterprise
  - Highlands and Islands Enterprise
  - Scottish Grocers Federation
  - Scottish Retail Consortium
  - Food and Drink Federation Scotland
  - Scottish Wholesale Association
  - Federation of Small Businesses
  - Association of Convenience Stores
  - Viridor Waste Management Ltd
  - Binn Group Ltd
  - British Plastics Federation
  - Aldi UK/IRE
  - Asda
  - Boots UK
  - Iceland Foods Ltd
  - Lidl
  - Marks and Spencer
  - Morrisons Plc
  - Sainsburys
  - Scotmid
  - Waitrose and Partners
  - WH Smith
  - The Cooperative
31. Business response was very low. Of the 23 businesses and business associations, responses to the questionnaire were received from only 2 organisations: the Federation of Small Businesses and Asda. Another response,

provided separately from the questionnaire, was received from The Cooperative with regard to the effect of the 5p minimum charge and its proposed increase on the sale of BfLs.

32. The results of the consultation with businesses will be summarised in the Competition Assessment and Scottish Firms Impact Test sections.

#### **4.0 Options**

33. To ensure that an amendment to the Single Use Carrier Bags (Scotland) Regulations to increase the minimum SUCB charge from 5p to 10p is the correct measure for Scotland, alternative options have been considered and compared.

34. The alternative options need to contribute to four objectives:

- Ensure the reduction in SUCB use to date is maintained and further reductions are achieved
- Support additional reductions in littering behaviour
- Increase materials and carbon savings
- Reduce waste sent to landfill

35. A higher financial charge on SUCBs would make these products more expensive and could therefore reduce total consumption. It is thus expected to deliver on the stated objectives. The options considered therefore are:

- **Option 1.** No policy change – business as usual.
- **Option 2.** Amending Single Use Carrier Bags (Scotland) Regulations, increasing mandatory SUCB charges to 10p.

36. An outright ban on the sale of SUCBs has not been considered. The Scottish Government recognises the role that an SUCB can play in unplanned purchasing and that alternative bags, such as BfLs, can have a higher carbon cost when used for this purpose. Additionally, the Scottish Government recognises that certain groups of people, including some individuals with cognitive impairment and neurodevelopmental conditions, can find it hard to remember to bring their own bag each time they shop, so may be disproportionately disadvantaged by an outright ban.

37. An evaluation of these options was performed on a qualitative basis and draws upon experience from other countries, as information on the number of plastics bags sold in Scotland is not available.

#### **4.1 Option 1. No policy change – business as usual.**

38. This option is the baseline against which the costs and benefits of the amendment to the Single Use Carrier Bags (Scotland) Regulations are compared. In the absence of further policy changes, all retailers are obliged to

charge customers at least 5p for SUCBs, excluding bags which are exempted from the charge.

39. As shown in Table 3 below, major supermarkets in the UK have already taken measures beyond the 5p charge. These supermarkets together have a UK supermarket industry share of around 94%.<sup>26</sup> However, the SUCB regulations apply not only to supermarkets but all food and non-food retailers so these findings cannot be extrapolated to other retailer segments. It is also not clear whether smaller retailers in Scotland have also taken additional voluntary measures.

*Table 3. Company policies for bags for life (BfLs) and single-use carrier bags (SUCBs) in major supermarkets*

<b>Retailer</b>	<b>Lowest BfL charge</b>	<b>SUCB availability</b>	<b>Notes</b>
Tesco	£ 0.20	None	
Asda	£ 0.15	None	
Morrisons	£ 0.30	None	
Waitrose	£ 0.10	None	Bags for life charge to increase to £0.50; currently being trialled in several stores
Sainsbury's	£ 0.10	None	
Iceland	£ 0.15	None	Switched to reusable paper bags
Aldi	£ 0.15	None	Recycled plastic drawstring bags (used for fruits and vegetables) sold for £0.25
Lidl	£ 0.38	None	Planning on removing all £0.09 reusable bags and offering reusable bags for £0.38
Coop	£ 0.10	None	

40. At present, retailers can charge more than the statutory minimum for SUCBs and some of the larger retailers do so. It is not known whether more stores will choose to bring in their own charges in the future, so consumption of SUCBs on a per capita basis may remain constant at current levels, with absolute consumption increasing over the years in line with projected population growth..

<sup>26</sup> [IG: Best Supermarket stocks to watch in 2020](#)

Alternatively, retailers which currently charge more than the minimum could reduce their charge to the minimum, which could lead to a rise in the purchase of SUCBs. Equally, businesses may take voluntary action and either increase charges or eliminate SUCBs from their stores altogether.

41. There is also a possibility that per capita consumption could increase at a rate higher than population growth, meaning that absolute consumption of SUCBs increases. This may happen in the following cases:
- i. **Removal of voluntary measures:** Retailers who currently voluntarily charge more than 5p for SUCBs may choose at any time to revert to the statutory charge.
  - ii. **Inflation:** The effect of inflation can be such that, over time, the cost of the SUCB charge reduces in real terms. This means that without periodic increases, the charge will lose its effectiveness.
42. In the Republic of Ireland, a charge of €0.15 (£0.09<sup>27</sup>) per disposable plastic bag was introduced in 2002. This saw plastic bag use drop significantly within the first years. However, over time bag use increased again, in response to which the charge was increased to €0.22 (£0.15<sup>28</sup>) in 2007.<sup>29</sup>
43. It is not likely that Option 1 would deliver against the policy objectives, as progress depends solely on voluntary action by retailers. Experience from other countries, including Northern Ireland and England, shows that without progressive increases of the SUCB charge, per capita consumption of these bags may increase over time. This could lead to an increase in the direct and indirect cost of SUCB litter.

#### **4.2 Option 2. Amending Single Use Carrier Bags (Scotland) Regulations, increasing mandatory charges for single-use carrier bags to 10p.**

44. This option includes an amendment to the Single Use Carrier Bags (Scotland) Regulations 2014 to increase the minimum financial charge on SUCBs from 5p to 10p. This increase would apply to all SUCBs, although certain uses of carrier bags would continue to make them exempt from the charge, for instance bags used solely to carry raw unpackaged meat or vegetables. Additionally, the increased charge would continue to apply to all retailers in Scotland. With the exception of increasing the amount of the SUCB charge, no other changes are proposed in the Single Use Carrier Bags (Scotland) Regulations 2014.
45. It is expected that the increase would ensure that the reduction in SUCB use to date is maintained, and that it could drive additional reductions. Compared to Option 1, this would lower SUCBs' contribution to Scotland's material use and

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<sup>27</sup> Calculated using historic 2002 exchange rate of 0.628137

<sup>28</sup> Calculated using historic 2007 exchange rate of 0.684504

<sup>29</sup> [Green Budget Europe: Plastic Bag Levy in Ireland](#)

carbon footprint, and to litter and its associated environmental impacts, particularly in the marine environment.

46. As many retailers are either already charging 10p or more for SUCBs or have removed them completely, it is not expected that the proposal would result in significant costs for Scottish retailers or other stakeholders.

47. **Sectors and groups affected.**

- **Environment:** It is expected that there will be a net environmental benefit from a reduction in SUCB use and from the increase in the use of BfLs as a result of the charge increase. However, this can only be the case if BfLs are reused often enough to reduce their environmental impact in terms of material use and production emissions per use below that of a SUCB. This is because each type of carrier bag is designed for a different number of uses, with those that last longer requiring more resources in their production. In its meta-analysis of seven Lifecycle Assessments, the UN Environment Programme found that the environmental impact of carrier bags differs significantly, using indicators such as contribution to climate change, acidification, eutrophication, photochemical ozone creation, abiotic resource depletion, water use and littering potential. The study found that the environmental impact of carrier bags depends heavily on the number of uses, where reusable LDPE bags (plastic BfLs) can have a lower climate impact than conventional plastic SUCBs if they are used 5-10 times more than SUCBs, while cotton bags would have to be used 50-150 times.

Although the Scottish 2015 Post-Implementation Review found that, despite increased use of BfLs and small bin liners, 2,500 tonnes of CO<sub>2</sub>e<sub>q</sub> were saved within one year, concerns have been raised that BfLs may not be reused often enough and their consumption is increasing rapidly. A report by EIA and Greenpeace<sup>30</sup> suggests that BfLs are now often considered to be a single-use option, and data published by retailers in England indicate mixed developments, with the number of BfLs sold by some retailers are reducing, while one retailer indicated an increase of 440%.<sup>31</sup> However, reporting on the sale of BfL is not mandatory and it is not clear how complete this information is.

A further benefit would be the reduced disamenity impact of litter, and the direct cost of litter clean up, as there are likely to be fewer littered SUCBs. This expectation is based on the observations made by the Marine Conservation Society regarding the reduction in the number of SUCBs found on UK beaches following the introduction of the charge.<sup>32</sup> There are also likely to be benefits to wildlife in the marine and terrestrial

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<sup>30</sup> [Checking Out on Plastics II: Breakthroughs and backtracking from supermarkets](#)

<sup>31</sup> [Single-use plastic carrier bags charge data for England](#)

<sup>32</sup> [Plastic bag tax - to be increased and extended](#)

environment with less damage to organisms from fewer littered bags or pieces of bags.

- **Retailers:** An increase in the SUCB charge will not result in a cost increase for retailers. The main impacts on retailers are the administrative costs of increasing the charge and, for retailers with more than 10 employees (FTE), the keeping of records of the number of SUCBs sold with a requirement of keeping these records for a minimum of five years. Costs may also be associated with voluntary reporting of carrier bag uptake and associated funds via the carrier bag portal<sup>33</sup>. However, many larger food retailers have already increased charges on a voluntary basis and would not incur additional costs. Additionally, retailers can recoup any reasonable costs from the proceeds of the SUCB charge<sup>34</sup>, although they are encouraged to donate any net proceeds to charities and environmental causes. For BfLs, the costs associated with procurement and logistics will be reflected in the price charged to consumers for buying a BfL at the till point. As retailers can recoup any costs from having to buy fewer SUCBs and more BfLs there should be no negative impact on retailers, but the impacts instead apply to consumers.
- **Consumers:** Customers who currently receive SUCBs at a charge of 5p would have to pay more (10p) for these bags. After the charge is increased, more consumers are expected to switch to reusable BfLs instead of the equivalent volume of SUCBs necessary to carry their shopping. Consumers may be inconvenienced by a higher charge for SUCBs in stores where these have not already been phased out, or by a higher charge for BfLs, but this can be mitigated by a behavioural shift towards increased re-use of bags.
- **Carrier bag manufacturers/distributors:** These businesses will be impacted, mainly through the net impact of reduced activity related to SUCB use and increased activity related to BfL and bin liner use.
- **Government:** There will be no additional annual costs for the Scottish Government to increase and manage the enforcement of the carrier bag charge. For the UK Government, changes in revenues from VAT paid on the higher charge will depend on SUCB and BfL purchases after the increase of the SUCB charge, as well as voluntary measures to increase the charge above 10p which would affect VAT receipts.
- **Charitable and environmental associations:** The net proceeds from the sale of SUCBs are treated here mainly as a 'transfer' between economic agents: from consumers to charitable and environmental associations. This is because many retailers have chosen to donate their proceeds from the charge, amounting to £2.5 million in 2019.<sup>35</sup> An increase in the SUCB charge is expected to translate into a proportional

<sup>33</sup> [Retail portal for Carrier Bag Commitment signatories](#)

<sup>34</sup> [The Single Use Carrier Bags \(Scotland\) Regulations 2014](#)

<sup>35</sup> [Supporting Scotland's communities: 2019 report into charitable giving and community support by the Scottish retail industry](#)

increase in contributions to charitable and environmental associations. The scale and likelihood of benefits materialising in Scotland varies depending on which associations receive the net proceeds and how these associations choose to use the funds.

48. Option 2 is the preferred option.

## 5.0 Scottish Firms Impact Test

49. This section considers the impact of the single-use carrier bag charge increase on Scottish businesses, across industries, firm types and sizes. It is informed by a two-fold consultation with businesses, which is more fully explained in the 'Businesses Consultation' section of this BRIA.

50. For Question 20 of the public consultation (*Do you agree with the proposal to increase the minimum charge on single-use carrier bags from 5p to 10p?*), 121 responses (32%) were submitted by organisations. Of these, 77 (64%) agreed with the proposal, 3 (2%) disagreed and 41 (34%) neither agreed nor disagreed.

51. For Question 21 of the public consultation (*Do you agree that the initial 5p minimum charge on single-use carrier bags has had a positive impact on the environment?*), 120 responses (31%) were submitted by organisations. Of these, 80 (67%) agreed, 6 (5%) disagreed and 34 (28%) neither agreed nor disagreed.

52. Many large food retailers have already taken voluntary action to increase SUCB charges to 10p or above, and some have stopped selling them altogether, switching to BfLs. These retailers will not be impacted by an increase in the SUCB charge. Smaller retailers who continue to use SUCBs are able to recoup any costs and therefore should not be impacted financially.

53. Overall, it is therefore not deemed likely that increasing the SUCB charge will lead to a substantial business impact. Asda noted that the business had banned SUCBs in 2018. It temporarily reintroduced them for shopping delivery and 'click and collect' during the COVID-19 pandemic, but subsequently removed them again unless customers specifically requested them, applying a charge of 40p.

54. It was noted that small businesses should be given sufficient time to prepare for the change, particularly given the business and consumer uncertainty created by the COVID-19 pandemic.

55. Based on the feedback provided by businesses and the low response rate to the questionnaire overall, an increase of the SUCB charge is not expected to lead to significant impacts on businesses in Scotland.

## 6.0 Competition Assessment



56. This assessment follows the guidelines set out by the Competition and Markets Authority (CMA), which outline how to determine any competition impact. These guidelines recommend considering four key questions in order to assess whether a proposed policy would have an impact on competition. These four questions are listed and answered below.

**Will the measure directly or indirectly limit the number or range of suppliers?**

The proposal will not directly limit the number or range of suppliers of carrier bags since it does not favour particular suppliers or types of bags. It could indirectly limit the number or range of suppliers by reducing overall demand for bags. This effect will, in part, be offset by increased demand for BfLs.

The proposal will apply equally to all retailers, regardless of size, except for the reduced record keeping requirements for smaller retailers to reduce administration. It will not directly or indirectly limit the number or range of retailers.

**Will the measure limit the ability of suppliers to compete?**

The policy might result in adverse impacts on SUCB suppliers, partly offset by positive effects from the increased demand for BfLs and bin bags. Positive effects may also result from the development of other sustainable alternatives to SUCBs.

The proposal will not raise costs to smaller entrants relative to larger suppliers and the consultation with businesses did not return any evidence to suggest that it will limit the ability of suppliers to compete.

**Will the measure limit suppliers' incentives to compete vigorously?**

The proposal will not raise costs to smaller retailers relative to larger ones and it will not limit retailers' ability to compete or reduce incentives for them to compete vigorously.

**Will the measure limit the choices and information available to consumers?**

As SUCBs will not be banned, the proposal does not directly limit the choices or information available to consumers. The proposal may encourage more retailers to stop selling SUCBs altogether and switch to BfL, so could indirectly limit the choices available to consumers, but in a manner consistent with the policy's objectives.

**7.0 Consumer Assessment**

57. Increasing the SUCB charge from 5p to 10p will affect the price consumers have to pay in order to purchase an SUCB from retailers of all sizes.

58. The further reduction in SUCB use is expected to result in an increase in spending on small bin liners and BfLs, but this is expected to be more than offset in the long run by the savings made by reduced purchases of SUCBs, owing to re-use of BfLs.

### **8.0 Test Run of Business Forms**

59. No new business forms will be introduced as a result of an increase of the SUCB charge from 5p to 10p.

### **9.0 Digital Impact Test**

60. Changes to policy, regulation or legislation can often have unintended consequences, should government fail to consider advances in technology and the impact this may have on future delivery.

61. No impact is expected, as the increase in the SUCB charge is applicable to both physical and online retailers.

### **10.0 Legal Aid Impact Test**

62. There is potentially an impact on the Legal Aid Fund with respect to sole traders, however it is unlikely that this would be significant. This had already been agreed in discussion with Scottish Government Access to Justice officials before the Single Use Carrier Bags (Scotland) Regulations 2014.

### **11.0 Enforcement, Sanctions and Monitoring**

63. The proposed change to the Single Use Carrier Bags (Scotland) Regulations 2014 would not result in any changes to enforcement, sanctions and monitoring. The system would remain reliant on self-regulation on the grounds that retailers would want to be seen to comply with their duties under a high-profile policy. Annual reporting on numbers of bags dispensed and proceeds being donated to good causes will be an important way for retailers to demonstrate their compliance, as previously noted in the full BRIA accompanying the Single Use Carrier Bags (Scotland) Regulations 2014. It is therefore anticipated that no additional enforcement needs will arise.

### **12.0 Implementation and Delivery Plan**

64. It is intended that the proposed change will come into force on 1 April 2021 and, from that date, retailers will implement the charge.

### **13.0 Summary and Recommendation**

65. Option 2 is the preferred option based on the expected positive net impacts of an increase of the SUCB for society and the environment, compared with the 'do-nothing' baseline (Option 1).
66. An increase of the SUCB charge is expected to ensure that the reduction in SUCB use to date is maintained, and further incentivises consumers to reduce SUCB use, especially where retailers have not voluntarily increased the charge. It is also expected to increase the use of BfLs and bin liners. Overall, it is expected to lead to a net reduction of greenhouse gas emissions, disamenity impacts of litter and litter clearing costs. This, however, depends on the number of times BfLs are reused.
67. Affected stakeholders include retailers, consumers, carrier bag manufacturers/distributors, government, and charitable and environmental associations. Costs of the proposed increase to the charge will be placed on retailers, consumers and carrier bag manufacturers/distributors. However, as many businesses have already switched from SUCBs to BfLs, additional cost to business is expected to be very low and retailers could recoup their costs from the charge.
68. As set out in the current Single Use Carrier Bags (Scotland) Regulations 2014, retailers may reclaim reasonable administrative, monitoring and reporting costs from the charge and will therefore not experience a net impact. The cost placed on consumers is considered an economic transfer, from consumers to charitable and environmental organisations, though retailers are not required to donate the proceeds. An increased use of BfLs and bin liners may partly offset lower demand for SUCBs, lowering the financial impact on manufacturers/distributors. Charities will benefit from the charge, as all retailers continue to be encouraged to donate net proceeds from the charge to charitable and environmental causes. UK Government tax revenue from VAT on SUCB will depend on the effects of the increase to the SUCB charge on SUCB use.

#### **14.0 Declaration and Publication**

69. I have read the Business and Regulatory Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

**Signed: Roseanna Cunningham**

**Date: 11<sup>th</sup> January 2020**

**Minister's name: Roseanna Cunningham**

**Minister's title: Cabinet Secretary for the Environment, Climate Change and Land Reform**

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**Appendix A – Consultation with Businesses Questionnaire**

Zero Waste Scotland is supporting the Scottish Government in preparing a Business and Regulatory Impact Assessment (BRIA) for the proposal to amend the Single Use Carrier Bags (Scotland) Regulations 2014 that would see the charge for single-use carrier bags increase from 5p to 10p.

A BRIA is used to analyse the cost and benefits to businesses and the third sector of any proposed legislation or regulation, with the goal of using evidence to identify the proposal that best achieves policy objectives while minimising costs and burdens as much as possible.

The Scottish Firms Impact Test is a legal requirement that forms part of the BRIA process. A core group of key stakeholders that will be impacted by the change in legislation must be interviewed face-to-face in order that the views of business can be fed into the development on the proposed amendments.

The Scottish Government's Programme for Government 2019-2020; Protecting Scotland's Future, reinforces its commitment to net zero greenhouse gas emissions by 2045. "For Scotland to become a net zero society, we need to think about how we use and reuse materials and how we handle waste".

"We will shortly consult on raising the minimum amount for the single-use carrier bag charge from 5p to 10p with the intention of bringing forward the required legislation in the coming year."

The public consultation for raising the single-use carrier bag charge from 5p to 10p was conducted in November 2019. The Scottish Firms Impact test will help ensure all potential impacts on Scotland's business community are considered.

The views expressed during this engagement process will be published as part of the BRIA process. However, your personal information will remain confidential; only the name of your organisation will be used. Additional information can be found at: <http://www.zerowastescotland.org.uk/content/data-protection-policy>.

**Questions**

1. Do you agree with the Scottish Government's proposal to extend the single-use carrier bag charge from 5p to 10p? Please expand on your answer.

2. What would be the biggest potential impacts (costs or benefits) for your business or the businesses you represent as a result of increasing the charge for single-use carrier bags from 5p to 10p? Please expand as needed.
3. To what extent do you expect the increase of the charge from 5p to 10p to put Scottish businesses at a disadvantage, nationally or internationally? Please provide evidence where possible.
4. Does your organisation have specific concerns about how the increase in the charge for single-use carrier bags from 5p to 10p might impact either micro retailers (1-9 employees) and/or smaller retailers (10-49 employees). Please expand on your answer.
5. Has your business already chosen to increase the charge ahead of the proposed increase?
6. Does your organisation have specific concerns on how the scheme might impact retailers in more remote areas of Scotland? Please expand on your answer.
7. It is expected that the scheme will result in higher bag re-use levels, lower levels of litter and a decrease in bags ending up in landfill and in Scotland's waterways. How would these outcomes impact your organisation?
8. What has been the impact of the 5p charge on single-use carrier bags for your business or the businesses you represent? If possible, please supply evidence.
9. Has your business switched from single-use carrier bags to bags for life?
10. Are you able to provide data on the number of single-use carrier bags currently sold annually in Scotland or by your sector/organisation? Are you able to provide any information/data on how this changed after the introduction of the 5p charge?
11. Is there anything else you wish to add not covered by the above questions?
12. Please indicate here if you would like to discuss any of the questions above further with Zero Waste Scotland.
  - a) Yes
  - b) No