Analysis of Responses to Consultation

General

In total 117 parties responded to the consultation. Overall responses to the proposed Bill were positive with 54% indicating strong support and 13% supporting the Bill’s environmental agenda but not necessarily through a levy on plastic bags. Those against the Bill comprised 32% and were mainly from the packaging trade. Some environmental agencies were not convinced that plastic bags constitute the worst elements of litter.

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<th>Support</th>
<th>Against</th>
<th>Mostly Support</th>
<th>Do not know</th>
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<tr>
<td>63 (54%)</td>
<td>38 (32%)</td>
<td>15 (13%)</td>
<td>1 (1%)</td>
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A small number of local authorities responded to the consultation and there was no clear consensus on how the levy could be administered and enforced. The majority of businesses that responded were from the packaging industry and 3 were from the retail trade, this resulted in very few suggestions on question 3 (costs of implementation to businesses).

This analysis will address each question from the consultation document and will also highlight the key areas arising.

Responses

Q1 Views are sought on the most appropriate way for Local Authorities to collect the levy. We are particularly keen to hear from businesses as to how the levy can be collected with the least impact upon their business.

The main concern here was that the proposed levy would be too administratively burdensome and costly for local authorities to enforce (4 local authorities responded in this way). That the bureaucracy of 32 councils would cost more money than the revenues raised was argued by 3 respondents including Fife Environmental Network.

Five respondents, including Highland Council and Renfrewshire Council, argued that the most effective method would be to take the levy from the producer / supplier of plastic bags. Edinburgh Council and Scottish Borders Council both stated that they have agreed to support an Aberdeen Council initiative, explained as follows: ‘a UK levy taken from point of manufacture or at the point of sale from wholesalers to retailers’. This would reduce the administrative burden but would fall short of influencing consumer behaviour.

Highland Council maintained that the levy would have to be administered by one single organisation. This could be done through a national scheme similar to the Responsibility (Packaging Waste) regulations through SEPA.
No further explanation of these regulations was given therefore further investigation is required to assess the suitability of such a scheme.

SEPA argued that stores with electronic points of sale (EPOS) should be able to tally up ‘bar-coded’ bags quite easily and provide local authorities with coherent information. Such a system would undoubtedly incur further costs and SEPA suggested that a small proportion of the levy could be retained by retail outlets to offset this.

COSLA and East Dunbartonshire Council felt that a central body such as that used in ROI would be the most effective method of collection. Major retail outlets possibly do not carry out their administration at a local level and this was offered as a good reason for a national scheme. COSLA clearly stated their opposition to the Bill in ‘its current form’ but felt that a ‘UK national scheme’ similar to ROI would be the fairest method. Friends of the Earth agreed adding that in ROI the net additional costs, through VAT collection systems, are offset by the decrease in purchases of plastic bags.

Three respondents, including The Royal Environmental Health Institute, suggested that the levy be linked to business rates as this is an already-established means of revenue collection.

The general concern from those local authorities that responded was that they would be left with an extra burden once the scheme became popular and funds started to diminish. Care will need to be taken to ensure that the collection method is cost effective.

Q2 Views are sought from Local Authorities on how much they estimate it would cost them to implement the provisions of the bill.

Very few suggestions were given on this issue as an estimate was deemed impossible given a lack of information and investigation.

Scottish Borders Council estimated £25,000 p.a. in staffing resources inclusive of overheads and £25,000 in corporate resources for processing invoices and securing payments for writing off debt.

East Dunbartonshire Council suggested the creation of one full time post and additional set up costs.

Fife Environmental Network suggested that SEPA could be responsible for collection of the levy with any income put towards research.

COSLA recommended that the Bill would require the Scottish Executive to fund all ‘start up’ costs.

The Association of Scottish Community Councils voiced concern over the potential large divide in administration costs between rural and urban environments.
Highland Council reinforced the issue that a single organisation would be more cost effective than each local authority administering the levy individually.

**Q3 Views are sought from businesses on how much they estimate it would cost them to implement the provisions of the bill.**

The majority of businesses that responded were from the packaging trade therefore there was limited response to this question (opposition views are discussed later).

Two companies from ROI expressed their support for the Bill. The Irish Hardware & Building Materials Association presented a very positive picture of changing consumer attitudes in Ireland. J J O’Toole (a packaging firm) explained how having to adapt to this change had been detrimental to their business however they also commented:

“So despite the hurt to our business, I [Fergus O’Toole] would applaud the initiative due to its effectiveness.”

Superquinn, a supermarket retailer in ROI, portrayed a very positive image of the levy’s success in ROI saying that they have saved money through purchasing smaller amounts of plastic bags and a positive shift in consumer behaviour has occurred. Conversely Superquinn stated that the levy “hasn’t been a big tax raiser” which adds further weight to concerns expressed in questions 1 and 2 by local authorities.

The levy has forced businesses in ROI to adapt and has started to influence consumer behaviour.

Highland Council, realising they could not comment as a business, felt that the costs of implementing the scheme would hit small retail outlets, being the majority of retail outlets in the Highlands, the hardest.

**Q4 Views are sought on an appropriate penalty for businesses that do not comply.**

There were few responses to this question however there were some varied ideas from those who did respond.

Eight respondents, including SEPA and Renfrewshire Council, argued that any penalty should be high and appropriate enough to encourage full compliance. Five respondents, including Aberdeen City Council, COSLA and East Dunbartonshire Council, extended this further in recommending a penalty based on a percent of turnover.

Other suggestions can be summarised as follows: a fine double the cost of implementation and compliance, criminal sanctions, non-compliance classed as fraud, staged penalty, sliding scale of charges for repeat offenders and a fine of £1000 for deliberate non-compliance.
COSLA, East Dunbartonshire Council and Aberdeen City Council suggested a ‘name and shame’ policy for non-compliant businesses. COSLA also argued that providing incentives for compliance may be a better tool than penalising non-compliance.

The general consensus was that penalties should be appropriate to the size of the business and to make non-compliance an unattractive venture. The Association of Scottish Community Councils felt, however, that penalties could be construed as an inappropriate revenue raising measure to fund local authority expenditure.

Q5 Views are sought on the most appropriate method for Local Authorities to monitor compliance.

Response to this question was also low.

Six respondents, including Renfrewshire Council, suggested the use of ‘spot checks’. Two respondents suggested the use of a ‘mystery shopper’. SEPA and Renfrewshire Council suggested that compliance could be monitored through a submission of returns on a regular basis.

Other suggestions can be summarised as follows: through existing methods of monitoring business, advertising to promote citizen reporting, via consumer protection staff, basic postal system and a national phone line for reporting non-compliance.

Both Aberdeen City Council and COSLA felt it inappropriate for local authorities to enforce such a levy. The National Aquatic Litter Group, however, felt that Local Authorities should be given ‘powers’ of enforcement and ‘incentives’ to do so.

The Federation of Small Businesses felt local authorities would have major difficulties in monitoring compliance and asked, given that non-compliance is most likely to come from small businesses issuing low amounts of bags, is it economical to pursue enforcement action?

Scottish Borders Council stated that local authorities would require to be granted powers similar to the enforcement of the Duty of Care provisions contained in the Environmental Protection Act 1990.

Superquinn felt that the success of the levy was in some way attributable to a ‘very good media campaign’. The public were made aware of the levy in advance of implementation and two years later both retailers and customers have adapted their behaviour.

It would seem that enforcement will be much easier if the public are educated about the levy and are assured that this is not another form of taxation.
Q6 Views are sought on whether or not certain businesses should be exempt from the provisions in the bill. In providing such suggestions it would assist if respondents would specify which businesses and give reason to support their suggestions.

Twenty respondents argued that there should be no exemptions. The majority of these respondents felt that this was the fairest method (as practised in ROI).

The Federation of Small Businesses and SEPA argued that small businesses should be exempt and Renfrewshire Council and the Association of Charity Shops felt that charities should be exempt.

Jenifer Cook argued that the levy should be exclusively a supermarket concern.

The issue of exempting some businesses comes down to fairness. It could be argued that the major supermarket chains give out the most plastic bags and therefore the levy could be applied to them alone. Some respondents said this would cause resentment in the retail sector and encourage non-compliance.

Q7 Which plastic bags, if any, do you feel should be exempt from this scheme?

Nine respondents felt that all plastic bags should have a levy applied therefore ‘no exemptions’. Marks and Spencers said that to encourage a level playing field there should be a general carrier bag tax therefore plastic should not be singled out.

Eleven respondents argued that bags used for hygienic purposes i.e. those for loose fruit in supermarkets/grocers should be exempt. Five respondents (including the manufacturer of oxo-biodegradable bags) said bio-degradable bags should be exempt. East Dunbartonshire Council and RSPB felt that a levy on biodegradable bags should be charged at a lower rate than that of plastic.

The Federation of Small Businesses and Highland Council suggested exemptions should be the same as that in ROI although alternative bags should not take up the extra space in landfill.

SEPA and East Dunbartonshire Council stated that exemptions should be dependent on the size and type of carrier bag and subject to a life cycle evaluation study.

There was concern that placing a levy on plastic carrier bags will lead to increased usage of alternatives or over packaging by retailers therefore only shifting the problem from one form of waste to another and encouraging the throw away culture.
If the Bill is to encourage the ‘reuse’ of bags of whatever type then exempting some bags may have a detrimental effect. It is possible that consumers, thinking they are being environmental friendly, will throw bio-degradable types away. Most respondents believed that a universal levy will encourage re-use and one respondent wished to see bags clearly marked: PLEASE REUSE.

Q8 What are your views on an appropriate amount for the levy to be set at? It would be helpful if you could provide the reasons for your suggestion.

Seventeen respondents (27% of supporters) agreed that if it is working in ROI then 10p per carrier bag would be an appropriate amount to influence consumer behaviour. Other figures suggested ranged from 7 pence for small bags used for loose fruit to over 50 pence for long life bags.

Seven respondents said simply that the levy should be set at a level that influences behaviour. Six respondents felt that 20p per bag would be a more significant and influential amount.

Aberdeen City Council recommended a ‘sliding scale’ where the levy is significant to the level of impact a bag would have on the environment.

Two individual respondents recommended the implementation of a mechanism that allows an increase in the levy linked to the retail price index.

East Dunbartonshire Council argued that any charge should be coupled with a ‘tax back’ provision for customers who return bags to the point of purchase.

The Association of Scottish Community Councils argued that a 10p levy would raise an insignificant amount and conversely would hurt low income groups hardest.

The emphasis then was a significant amount that will influence consumer behaviour but not cause resentment. The system used by ROI was seen to be the best approach simply because it is working.

Q9 Do you believe that the money raised from the levy should be ring fenced for use in environmental projects? If so what are the environmental issues it should be spent on?

Fifty-one respondents said yes (46% of total responses) to the levy being ring fenced for environmental projects. The general consensus was that the levy should not be seen as another tax raising initiative for local authorities.

Using the levy for environmental projects was argued by some to be too difficult on the basis that the revenue raised will be substantially reduced after administration costs are deducted. SEPA’s conclusion was that there is ‘insufficient scientific information’ available to determine the success of the Bill’s aims of raising public awareness and combating litter.
COSLA said they do not support ring fencing and “It should be for individual councils therefore to decide how best any money collected by them is used”

Nine respondents wanted more investment and better educational programs on the problems of litter. Seven respondents felt that investment was needed for recycling in Scotland especially plastics. Four respondents felt money should be allocated to community run projects and two respondents felt the money could be used to help achieve the targets of the National Waste Strategy.

The Federation of Small Businesses agreed with ring fencing but stressed the levy not be used for projects likely to be undertaken anyway or where the environmental/social benefit has not been demonstrated.

Other suggestions can be summarised as follows: research into alternatives, campaigns in wildlife rich areas, clean up hit squads, investment into Scottish Biodiversity Strategy, provide one bag for life to each household, investment into incineration research and developing closer working relationships of NGOs and Local Authorities.

If ring fencing the levy for environmental projects helped to reduce resentment by the public in ROI then the same could happen in Scotland. It is evident from this consultation that there are many ideas on how this money can be used. On the other hand if, as some respondents argued, the revenue raised is an insignificant amount then there will be difficulty in distributing money to projects in different parts of Scotland. The benefit of the levy to the environment would therefore not be clearly visible to all and as SEPA argue: “…the proposed scheme [may not] provide a net environmental benefit.”

**Attitudes towards ring fencing at a glance**

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<thead>
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<th>Yes</th>
<th>No</th>
<th>Too Complicated</th>
<th>Insignificant revenue</th>
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<tr>
<td>Count</td>
<td>50</td>
<td>10</td>
<td>5</td>
<td>2</td>
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Other Issues

Alternatives / omissions

WRAP (a not-for-profit environmental company) suggested that a levy on plastic bags should be introduced as part of a suite of levies on the main components of litter.

The Food Servicing Packaging Association suggested the Bill include all those retailing all packaging that can be discarded into the environment to provide means of collection for recycling.

Opposition Views

The opposition comprised mostly of packaging companies and individuals employed in the packaging industry. The Bill was attacked mostly from the point of view that the experience in ROI was far from perfect and that plastic bags are reused at least once by the UK public. There was general confusion over why an ‘environmental’ levy was centring on one type of preventable pollution over many others.

The following were cited as problems experienced in ROI and potential difficulties for Scotland should the Bill be successful: increased sales of bin liners (sixteen respondents), increases in shoplifting (six respondents) and an increase in shopping trolley and basket theft (six respondents).

Fifteen respondents, including Glasgow City Council and WRAP, felt the Bill would increase demand for paper alternatives. Paper alternatives were argued to be much heavier than plastic bags therefore requiring more storage, more vehicles and fuel to deliver them and in the end an extra burden on landfill and a sustainable environment. Paper alternatives, therefore, were deemed by the respondents to be just as, if not more, damaging to the environment than plastic.

Nine respondents argued that plastic bags comprise less than 1% of total litter pollution. Five respondents felt education and recycling were the best methods for dealing with this element of litter and four respondents argued that littering is a separate issue and should be dealt with as such.

That a 10p levy equates to a tax rate of 2000% was argued by seven respondents to be a ridiculous amount especially when attributed to the ‘bigger culprits’ and more visible types of litter such as cigarette butts and fast food packaging.

Ten respondents expressed concern over job losses when demand for plastic bags decreases. The Scottish Retail Consortium argued that the Bill will be detrimental to Scottish SME’s (this agrees with Highland Council’s argument in question 3). Six respondents felt the levy would hit low income groups hardest especially families who do not have their own transport (i.e. cannot carry a large bag or box to the boot of a car).
Environmental Levy

The Carrier Bag Consortium and British Plastics Federation argued that plastic bags can be recycled and the incineration of plastics accounts for less than 1% of dioxins released.

The British Plastics Federation and The Packaging Federation commented that plastic and paper carrier bags are included in the 2004/12/EC Directive on Packaging and Packaging Waste. SIMPAC argued that the proposed levy on plastic bags equates to an unnecessary ‘fourth tax’.

Some of the issues raised by the opposition ask the question: if the Bill aims to help the environment by reducing litter why is it only focussing on plastic bags and how will it discourage the ‘throw away’ culture when the practice and education of recycling is not as sophisticated in Scotland compared to other European countries.

One of the main alternatives offered by the opposition was investment into some means of better environmental education. Human behaviour was deemed, by some, to be the real issue and that enforcing a levy on plastic bags would not change the general public’s attitude or have a direct effect on the wider issue of littering.

The following is a bullet point summary highlighting the negative responses from the consultation.

- A levy on plastic carrier bags will not solve litter problems
- There will be difficulty in administering and enforcing the levy, especially by the 32 local authorities
- Revenue will diminish when the demand for plastic bags decreases leaving local authorities with an ‘extra burden’
- Too difficult to estimate the costs for enforcing the levy
- Costs of enforcement may outweigh revenue raised for environmental projects
- Introduction of a levy in ROI has seen: increased sales of bin liners, increases in shoplifting and increased demand for paper alternatives
- Biodegradable bags will only encourage the ‘throw away’ culture
- The levy will have a detrimental impact on employment
- The levy should, perhaps, be collected from the manufacturer not the consumer
- Plastic bags are reused more than any other forms of free packaging
- Plastic carrier bags are already subject to various levies/taxes
- Low income groups will be hardest hit
Research

The following reports and studies were quoted by the opposition as evidence against the proposed levy.

The Federation of Small Businesses quoted a study by DETR and ENCAMS (2000) that found plastic bags are frequently reused by households.

The Federation of Small Businesses and the Carrier Bag Consortium made reference to a study carried out by DEFRA: 80% of all households reuse carrier bags at least once.

Symphony (a plastics company) used the Franklin report for NYC (1980s) where the production of paper bags was found to produce 70% more atmospheric pollution than plastic.

WRAP and the Food Service Packaging Association quoted a DEFRA study in England as saying 15% of all litter of any kind was plastics.

SIMPAC, Carrier Bag Consortium and British Plastics Federation quoted the Winnipeg Study that showed plastic carrier bags to be the best choice in regards to the ‘full life cycle’.

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