

Carrier bag guidance for all retailers

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Introduction

In August 2020 the government announced that in 2021 the Single-Use Carrier Bag Charge would be increased to 10p and extended to all retailers in England. Since its introduction, use of carrier bags in the main supermarkets has reduced by 95% and we are keen to build on this success.

The main changes are:

- The minimum amount that sellers must charge for a single-use carrier bag will increase from 5 pence to 10 pence
- The obligation to charge for single-use carrier bags will be extended to all retailers
- The exemption for airport retailers from charging for single-use carrier bags will be removed
- Reporting requirements on the number of single-use carrier bags sold annually will not be extended to micro, small and medium sized enterprises (those with less than 250 employees), in order to minimise additional burdens

These changes will come into force from the **21 May 2021**.

Carrier bag charges: retailers' responsibilities

This guidance outlines when you must charge a minimum of 10 pence for single-use plastic carrier bags, bags you're not required to charge for and any records you must keep and submit.

All retailers must charge a minimum of 10 pence for single-use carrier bags in England, from 21 May 2021. If you don't, you could be fined. Only large retailers will be required to record and report the number of single-use carrier bags they sell in England.

A large retailer employs 250 or more full-time equivalent employees (in total and not just in retail roles) in a year.

You must charge if you:

- sell goods in England
- deliver goods to England

As a retailer:

- the charge is for non-reusable bags (single-use plastic carrier bags)
- you must charge for single-use carrier bags used for collections and deliveries
- you don't need to charge an extra 10 pence if you're already charging 10 pence or more for single-use carrier bags

If you're a micro, small or medium-sized business, you will also need to charge and follow the scheme from 21 May 2021. However, you don't have to report or keep records for carrier bag use.

Bags you charge for

Currently large retailers must charge a minimum of 5 pence a bag (including VAT). All retailers must charge a minimum of 10 pence a bag (including VAT) from 21 May 2021-for bags that are all of the following:

- unused - it's new and hasn't already been used for sold goods to be taken away or delivered
- plastic and 70 microns thick or less
- it has handles, an opening and isn't sealed

Monitor self-checkouts

You will have to do all you can to make sure that you charge for bags at self-checkouts. For example, the checkouts could be programmed to ask shoppers how many bags they use and charge for them.

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Bags you're not required to charge for

Some bags are exempt - you won't have to charge for these but can if you want to.

You won't have to charge if the bag only contains certain items, but if you add other items then you must charge.

For example, you will not be required to charge for a bag containing an unwrapped blade and unwrapped loose seeds. But if you add a box of cornflakes then you will have to charge.

Returnable bags and bags for life

You will not be required to apply the 10 pence charge for:

- woven plastic bags
- multiple reuse bags (bags for life), when replacing free of charge, if originally sold for 10 pence or more

You could still charge for these bags, but you won't need to record sales and proceeds as you do with single-use carrier bags.

A returnable multiple reuse bag must be all of the following:

- sold for 10 pence or more
- suitable for reuse
- replaced free of charge if returned to you when worn out

Food and plants

You will not be required to charge for plastic bags that are solely used for:

- uncooked fish and fish products
- uncooked meat, poultry and their products
- unwrapped food for animal or human consumption - such as chips, or food in containers that aren't secure enough to prevent leakage during handling
- unwrapped loose seeds
- flowers
- bulbs, corms or rhizomes (roots, stems and shoots, such as ginger).
- goods contaminated by soil (like potatoes or plants)

Products

You will not be required to charge for bags:

- for unwrapped blades, including axes, knives, and knife and razor blades
- for prescription medicine
- used for a service, but there is no sale of goods, for example dry cleaning

Live fish and aquatic creatures

You will not be required to charge for bags holding live fish or other aquatic creatures.

Packaging, transport and promotions

You will not be required to charge for bags:

- for sealed transit bags used for alcohol and tobacco
- considered as sealed packaging for mail order and click-and-collect orders
- used to give away free promotional material

Work out if you're a large retailer

You will need to work out how many full-time equivalent employees you have at the start of each reporting year.

The reporting year runs from 7 April each year to 6 April in the following year.

(The first reporting period - for the first 6 months of the scheme - ran from 5 October 2015 to 6 April 2016.)

Work out your number of employees

On the first day of the reporting year calculate how many full-time equivalent employees you have:

1. Work out how many hours a full-time employee would work in a year (for example 40 hours by 52 weeks is 2,080).
2. Multiply this by the amount of full-time workers there for the full year (for example 200 workers by 2,080 is 416,000).
3. Work out part-time and seasonal workers' hours by multiplying their weekly hours by the weeks worked (for example 100 workers by 20 hours by 10 weeks, added to 100 workers by 40 hours by 25 weeks is 20,000 plus 100,000, giving 120,000).
4. Add the full-time and part-time or seasonal workers' hours together (for example 416,000 plus 120,000 is 536,000).
5. Divide this by the amount of hours a full-time employee would work in a year (for example 536,000 divided by 2,080 is 257.7)

If this number is 250 or more, then you must report how many single-use carrier bags you sell. Micro, small and medium-sized businesses must charge for single-use carrier bags from 21 May 2021 but are not obligated to keep records or report the number of bags they sell.

Franchises and symbol groups

If your store is part of a franchise or symbol group (an independent retailer that shares a brand-name shop and products) you only count employees in your business.

You don't count the franchise or symbol group as a whole.

For example, if you're part of a symbol group and you own:

- 10 stores in a symbol group and have more than 250 employees in total - you must record and report the number of single-use carrier bags you sell each year
- 2 stores with 15 employees - you must charge 10 pence for single-use carrier bags, but you do not have to record or report the number of bags you sell each year

Records you must keep and submit

Large retailers (with over 250 employees) must keep a reporting year's records for 3 years from 31 May in the following reporting year. For example, you must keep your records for 5 October 2015 to 6 April 2016 until 31 May 2019. You can be fined if you don't.

Retailers with less than 250 employees are not obligated to keep records or report.

You'll also need to consider HM Revenue and Customs guidance on VAT.

You must record for the whole reporting year:

- the number of single-use carrier bags you supplied
- the gross and net proceeds of the charge
- any VAT in the gross proceeds
- what you did with the proceeds from the charge
- any reasonable costs and how they break down

Reasonable costs

Reasonable costs include new costs you incurred by following the law on charging. This might include:

- the cost of changing till systems
- training staff
- communicating the policy to staff and customers
- getting expert advice
- administering donations to good causes

You can't include existing costs, such as the cost of the bags.

Replying to public enquiries

Members of the public can ask large retailers for copies of your single-use plastic carrier bag records. You must provide copies within 28 days of the request.

Dealing with the proceeds

Once you've deducted reasonable costs, it's expected that you'll donate all proceeds to good causes, particularly environmental causes, though this is not a legal requirement.

Since the government introduced the charge:

- it's generated approximately £150 million for good causes
- the seven key retailers have distributed around 15.6 billion fewer bags

We publish a summary which includes the results reported to us by retailers, and the amounts of money given to good causes.

Getting inspected

Your local authority inspects you to check you are following the law. Inspectors can:

- visit your shop or store
- make test purchases
- speak to staff
- demand records (for large retailers only)

Inspectors don't have to give you warning but can carry these out as 'secret shopper' exercises. If they find a problem they can:

- issue a non-compliance notice stating what you must do to fix the problem
- impose a fixed penalty
- impose a variable penalty
- order you to publicise (such as adverts in local papers or posters in your store) that you've broken the law, what your penalty was and how you're now complying

Inspectors can order you to cover the cost of the investigation if you break the law.

Trading across different regions

If you trade across different regions of the UK, you can apply for a Primary Authority agreement. You can then choose to deal with just one local authority rather than the authorities in each area you trade in.

How much you can be fined

Your local authority must publish details of fine levels, and when it will impose them, on its website.

You can't receive a variable fine if you've already received a fixed fine for the same problem, unless you've received a non-compliance notice for the problem.

Fixed penalties

Problem	Penalty
Not charging for bags appropriately	£200
Not keeping records	£100
Not supplying records	£100

Variable penalties

Problem	Maximum penalty
Not charging for bags appropriately	£5,000
Not keeping records	£5,000
Not supplying records	£5,000
Giving false or misleading information to, or otherwise obstructing or failing to assist the local authority	£20,000

Paying fines on time

Fines are:

- reduced by 50% if you pay within 28 days
- increased by 50% if you fail to pay within 56 days

Appeals and objections

You can object within 28 days of you receiving a fine, the fine or letter will tell you how to do so.

You can appeal a penalty if you feel your fine was wrong, unreasonable or based on an error. You can also appeal if you feel that your non-monetary requirement is unreasonable, or if the variable amount penalty is too high.

Further information

Email Defra at Plastics.consultation@defra.gov.uk for more information about carrier bags policy.

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