CARRIER BAG LEVY

ANNUAL STATISTICS

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Carrier Bag Levy Statistics – Year 2

The second set of official Carrier Bag Levy statistics covering the period 1 April 2014 – to 31 March 2015 have been published today Thursday 27th August 2015 by the Department of the Environment. These figures relate to the number of bags dispensed in the year 1 April 2014 – to 31 March 2015 as notified by 30th June 2015.

Carrier bag usage figures for the second year of operation of the levy indicate that 91.5 million single use carrier bags were dispensed by retailers across Northern Ireland. Whilst this was 8.2% higher (approaching 7 million more bags) than the 84.5 million bags notified to the Department by the same point in 2014, the first year of the levy, it is still markedly lower than the baseline figure prior to the introduction of the levy in 2013 of 300 million. Year 2 of the 5p levy has delivered a reduction in bag numbers of 69.5% compared to this baseline.

The proceeds of the levy for 2014/15 totalled £4.6 million\(^1\) – an overall increase of £0.4 million\(^2\) (9.5%) from the previous year.

In delivering a range of community based environmental projects and supporting wellbeing and prosperity, the Department has already channelled the Carrier Bag proceeds back into the local community through the innovative programmes like the Challenge fund. Through this fund alone, £1.3 million of carrier bag levy receipts has been used to fund 150 environmental projects in 2014/2015. Further funding was allocated to the Natural Heritage Fund (£1.2m), Sustainability Innovation Fund (£0.4m), Local Clean-up Support Programme (£0.3m), Listed Building Grant Programme (£0.4m), Community Waste Fund (£0.2m), and Keep NI Beautiful Grants (£0.4m).

These figures indicate that the people of Northern Ireland continue to embrace the carrier bag levy by reducing their overall consumption of single use bags when compared with carrier bag consumption before the levy was introduced.

Extending the scope and changes to the carrier bag charging arrangements came into operation on Monday 19 January 2015. The Single Use Carrier Bags Charge Regulations (Northern Ireland) 2013 (as amended) required that from the 19 January 2015 retailers had to charge the 5 pence levy to ALL carrier bags with a retail price of less than 20 pence – whether single use or reusable. This extension of the levy increased the overall cost of cheap reusable bags in an attempt to encourage shoppers to actively reuse these carrier bags on a more frequent basis and discourage their premature disposal.

Figures from the Quarter 4 - 2014/15 returns, incorporating the extension of the scope of the levy, inform of an additional 1.8\(^3\) million bags being declared/reported

\(^1\) Proceeds are taken from the audited DOE financial accounts and are not derivable from the bag usage figures due to timing differences.
\(^2\) Proceeds for the 2013/14 year were 4.2 million.

\(^3\) Preliminary results.
for the period 19 January to 31 March 2015. It is however worth noting that a number of retailers, as part of their internal pricing policy, increased the charge of their low cost reusable bags to above 20p thereby ensuring their bags were outside of the scope of this extension. More detailed analysis on the impact of this legislative change will be provided in August 2016 when the full year 3 usage figures are released.

While around one-quarter of the year on year increase can be attributed to the change in the legislation scope, as indicated in the increase of approximately 1.8 million more bags declared above, it may additionally suggest an increase in shopper activity throughout all of Northern Ireland or perhaps a level of indifference to the negative environmental impacts of carrier bag consumption after the significant initial impact of Year 1.

In Year 2 of operations quarterly bag usage figures ranged from 21.8 million in Quarter One (April 2014 – June 2014), 22.6 million in Quarter 2 (July 2014 – September 2014) to 24.8 million in Quarter 3 (October 2014 – December 2014). Like the previous year this increase in quarters 2 and 3 could be attributed to seasonal variation over both the summer and Christmas periods when there is likely to be a higher volume of tourists and shoppers. Bag usage numbers reduced to 22.4 million bags in Quarter 4 (January 2015 – March 2015).

For each quarter of 2014/15 (Year 2), there was an increase in the number of bags notified as dispensed when compared with the equivalent quarter of 2013/14 (Year 1). There were increases of 12.1%, 4.3%, 3.2% and 14.9% in quarters one, two, three and four respectively. Note that an element of these increases may be explained by the timeliness of notifications between each year.

The bag usage figures contained within this press release are based on data supplied by 3150 retailers as notified by 30th June 2015.

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3 This is an estimate based on comparisons with the average upper rate bag consumption for the previous 3 quarters within the current year.
Additional Information

1. Retailer returns to the Department of the Environment’s Carrier Bag Levy Team are required / made on a quarterly basis as follows:

   - Quarter 1 April, May & June 1 July – 28 July
   - Quarter 2 July, August & September 1 October – 28 October
   - Quarter 3 October, November & December 1 January – 28 January
   - Quarter 4 January, February & March 1 April – 28 April

2. Carrier Bags Dispensed by Quarter for 2013/14 and 2014/15 as notified to the Department by 30th June of each financial year are as follows:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Difference</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>19,413,991</td>
<td>21,762,851</td>
<td>+2,348,860</td>
<td>12.1%</td>
</tr>
<tr>
<td>2</td>
<td>21,627,272</td>
<td>22,566,479</td>
<td>+939,207</td>
<td>4.3%</td>
</tr>
<tr>
<td>3</td>
<td>24,004,619</td>
<td>24,763,376</td>
<td>+758,757</td>
<td>3.2%</td>
</tr>
<tr>
<td>4</td>
<td>19,486,003</td>
<td>22,388,990</td>
<td>+2,902,987</td>
<td>14.9%</td>
</tr>
<tr>
<td>Total</td>
<td>84,531,885</td>
<td>91,481,696</td>
<td>+6,949,811</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

3. Breakdown of Carrier Bags Dispensed by Rate and by Quarter for year 2 from 1 April 2014 to 31 March 2015, as notified to the Department by 30th June 2015, are as follows:

   Bags at the lower rate are those only costing the customer the 5p levy. Bags at the upper rate are those which have had a price added by the retailer in advance of the 5p levy being applied.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Lower Rate</th>
<th>Upper Rate</th>
<th>Overall Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-</td>
<td>579,127</td>
<td>21,762,851</td>
</tr>
<tr>
<td>2</td>
<td>-</td>
<td>651,316</td>
<td>22,566,479</td>
</tr>
<tr>
<td>3</td>
<td>-</td>
<td>619,702</td>
<td>24,763,376</td>
</tr>
<tr>
<td>4</td>
<td>-</td>
<td>2,389,288</td>
<td>22,388,990</td>
</tr>
<tr>
<td>Total Bag Usage</td>
<td></td>
<td></td>
<td>91,481,696</td>
</tr>
</tbody>
</table>

4. Where retailers charged more than the 5 pence levy (for a proportion of the 91.5 million single use carrier bags dispensed) these bags were subject to VAT resulting in slightly reduced net proceeds of £0.0417 per bag (5 pence less VAT).

5. Bags which are exempt from the levy such as those used solely to contain unpackaged raw food or hot foods / hot drinks are not included in the data. Retailers are not required to record this information.

6. The Department’s estimate of the number of bags dispensed in 2012 (300 million) is derived from UK-wide Waste & Resources Action Programme (WRAP) data for
2008. The data was adjusted to take account of reductions in bag usage as a result of voluntary retailer measures since 2008.

7. The figures presented in the release will not equate precisely to total bags dispensed in the year due to the 30th June cut-off date applied for the production of the Official Statistics. For 2013/14 (Year 1 of the levy), it is estimated that the number of bags notified by the 30th June cut-off date for the publication of the statistics, was around 2.5% below the total number of bags dispensed in that year. It is expected that this difference between notifications and actual bags dispensed will further reduce in future years as the timeliness of notifications continues to improve.

8. Retailers who have any outstanding returns should visit the NIDirect website (www.nidirect.gov.uk/baglevy), click on the “retailer registration login” button and simply follow the onscreen instructions.

9. If retailers encounter any problems they should contact the Carrier Bag Levy Team on 0300 200 7879 between the hours of 9am and 5pm, Monday to Friday or by email on carrierbaglevy@doeni.gov.uk

10. The Department intends to publish the 2015/16 figures in August 2016.