

Banning the supply of single-use plastic balloon sticks in England

Lead department	Department for Environment, Food and Rural Affairs
Summary of proposal	The policy would introduce a ban on the sale of single-use plastic balloon sticks in England to promote a change to less environmentally damaging materials being used.
Submission type	Impact assessment (IA) – 16 February 2023
Legislation type	Secondary legislation
Implementation date	23 May 2023
Policy stage	Final
RPC reference	RPC-DEFRA-5120(2)
Opinion type	Formal
Date of issue	22 May 2023

RPC opinion

Rating ¹	RPC opinion
Fit for purpose	The IA identifies a good range of impacts and has provided an appropriate level of analysis to support the quantification of the impacts. The Department has considered the impacts upon small and micro businesses (SMBs), determining that their presence in affected sectors is too high to allow for any exemption. The rationale for intervention needs to be strengthened, particularly in light of the ongoing decline in the usage of single-use plastic balloon stick use. The wider impacts should be strengthened by considering the full implications of being reliant on imports to meet market demand in light of the ban. While the IA discusses a broad programme to evaluate the impact of single-use plastic (SUP) bans and policy, it must provide more detail on how this specific ban will be evaluated.

¹ The RPC opinion rating is based only on the robustness of the EANDCB and quality of the SaMBA, as set out in the [Better Regulation Framework](#). RPC ratings are fit for purpose or not fit for purpose.

Business impact target assessment

	Department assessment	RPC validated
Classification	Qualifying regulatory provision	Qualifying regulatory provision ²
Equivalent annual net direct cost to business (EANDCB)	£0.04 million (initial IA estimate) £0.034 million (final IA estimate)	£0.034 million (2019 prices, 2020 pv)
Business impact target (BIT) score	£0.17 million	£0.17 million
Business net present value	£-0.4 million	
Overall net present value	£-0.6 million	

² While the EANDCB for this ban would appear to be below the de-minimis threshold of +/- £5 million, this ban is part of a group to be introduced via a statutory instrument, where the collective impact is above the threshold. Therefore, this policy and the package overall are a qualifying regulatory provision.

RPC summary

Category	Quality³	RPC comments
EANDCB	Green	The Department has included a range of impacts, across society and business, and correctly identified those which are direct upon business. The analysis is supported by appropriate evidence (including through bespoke commissioned research) and assumptions have been tested through consultation.
Small and micro business assessment (SaMBA)	Green	The IA clearly identifies that SMBs account for almost all businesses affected by the ban and therefore cannot be exempt from the policy, without undermining the potential benefits. The Department discuss various potential forms of mitigation, including their relative merits and drawbacks.
Rationale and options	Weak	The IA establishes that the current usage of SUP balloon sticks is falling, but does not provide a clear case for why regulatory intervention is necessary. The IA only includes the preferred option of introducing the ban, in addition to do-nothing. The Department should have considered a non-legislative alternative.
Cost-benefit analysis	Satisfactory	The Department make use of a good range of evidence sources, including prior consultation. The IA would be improved through a more clear and concise explanation of the analysis and steps taken.
Wider impacts	Satisfactory	A consideration of the emissions and environmental impact form a substantial element of the Department's main appraisal of the impact of the policy. Furthermore, the IA includes some discussion on the effect upon competition and trade. However, the latter should be significantly strengthened given it is noted that the UK will become reliant on imports once the ban is in force.
Monitoring and evaluation plan	Weak	While the IA references the Department's commitment to reviewing all significant policies and discussing the broad programme currently in track looking at the impact of various SUP policies (including the bans to be introduced at this time), it does not include specific detail of how the effectiveness of this ban on balloon sticks will be assessed.

³ The RPC quality ratings are used to indicate the quality and robustness of the evidence used to support different analytical areas. Please find the definitions of the RPC quality ratings [here](#).

Overview of single-use plastic bans

The proposal covered by this IA, is part of a package of three IAs covering various single-use plastic (SUP) bans, that the Department has submitted to the RPC for scrutiny at this time. The other policies relate to a ban on expanded and extruded polystyrene (EPS) food and beverage containers, and a ban on single-use plastic plates and cutlery (both in England only). This package of SUP IAs is also linked to the Department's 25-year Environment plan and its Resources and Waste Strategy, which includes the ambition to eliminate avoidable plastic waste by the end of 2042.

In addition, while the bans are covered in separate IAs, it is the RPC's understanding that all three bans are to be introduced through a single statutory instrument (SI).

Summary of proposal

The preferred option would introduce a ban on the supply of single-use plastic balloon sticks to end users in England. The intended objective of this policy is to ensure that single-use balloon sticks are made from less environmentally harmful materials and reduce the impact of plastic waste on marine environments.

The assessment identifies the main costs to be familiarisation costs, the production cost of switching from plastic to alternative materials, emission and fuel costs associated with the disposal of balloon sticks and the cost of enforcing the ban. Furthermore, it identifies the main benefits as environmental benefits and the associated positive impact on societal wellbeing.

The assessment identifies non-specialised retail, events catering, and educational and child-care services as the businesses most likely to be impacted by the policy.

While the estimated EANDCB of £0.014 million falls within the de minimis threshold of +/- £5 million, it is not classed as a de-minimis assessment (DMA) for scrutiny purposes as this ban is to be introduced via a statutory instrument (SI) alongside other SUP bans.

Response to initial review

As originally submitted, the IA was not fit for purpose as the Department had not supported some of their key assumptions with suitable appropriate evidence and had failed to take into consideration the overlap in impacts (specifically those for businesses who feature are affected by more than one ban being introduced at this time).

The Department, in the revised IA (post-initial review) has ensured assumptions made were supported by appropriate evidence and suitably accounted for overlapping impacts.

EANDCB

Identification of impacts

The Department identify a good range of impacts across various affected parties, including SUP producers, SUP consumers (both business and the public), as well as local authorities. Additionally, the IA does well to cover the impacts to society more broadly including the emissions and environmental impacts.

Whilst the IA discusses intelligence-based enforcement visits, through reactive engagement from trading standards officers, the IA could still be improved by considering any potential disproportionate impacts of regular enforcement visits on larger premises which are visited more regularly (for both the business itself and the enforcement body).

Counterfactual/baseline

The Department has set out the current trend in the usage of SUP balloon sticks. Additionally, the Department has engaged with external experts to establish a forecasted trend both in the absence, as well as the introduction, of the ban, providing justification for why the modelled plateauing in the counterfactual (i.e., no ban scenario) is appropriate. The IA should be improved by ensuring the counterfactual and the elements contributing towards its establishment are all clearly explained.

SaMBA

Scope of impacts upon SMBs

The Department clearly sets out what proportion of the sectors likely to be affected by the ban are comprised of SMBs, with the IA apportioning shares of the costs estimated to these businesses.

Consideration of exemption and mitigation

The IA states that given the high presence of SMBs in the sectors targeted, exempting SMBs would not achieve the policy objective. The Department include a sufficient level of discussion covering the range of possible mitigating actions that could be taken to support any SMBs disproportionately impacted, while addressing the downsides of these.

The Department does suggest that guidance will be produced to support the introduction of the ban, however states that "...this is unlikely to be tailored specifically to small and micro businesses...". Given the Department identify that SMBs account for c. 98% of all affected businesses and who are most likely to struggle with implementing the new requirements, it may be appropriate to tailor the guidance towards SMBs.

Medium-sized business exemption

The Department has provided an estimate of the likely number of medium-sized businesses (MSBs) across the sectors affected by the ban. The IA notes that as they are unable to exempt SMBs without the policy objectives being undermined, the same case can be made for not exempting businesses with up to 500 employees (i.e., MSBs).

Rationale and options

Rationale

The IA discusses how the ban links to the Government's 25 Year Environment Plan and its Resources and Waste Strategy. However, it fails to make a clear case for what the precise problem to be addressed is in relation to plastic balloon sticks specifically. Furthermore, the Department note in the IA that bans have previously been introduced for other forms of SUP, such as carrier bags, straws and cotton buds, using the banning of these items as justification for why those covered by this policy should also be banned. Despite referencing these policies, the Department does not discuss what lessons have been learned from the introduction of these bans (whether in terms of policy development, implementation or the resulting impacts).

Additionally, the Department does not make a strong enough case for why regulatory intervention is necessary, highlighting that alternative options to plastic balloon sticks already exist and account for an increasing share of the market. The IA needs to explain why the current market-based approach, and voluntary action, is not sufficient in achieving the desired policy objectives.

Options

The IA briefly mentions alternative options such as taxes/charges, subsidies and information campaigns. However, the Department ruled out these at an earlier stage, carrying forward only the preferred option of introducing a ban on SUP balloon sticks for further discussion and analysis. The IA should have included non-regulatory alternatives to the ban, such as an information campaign, which could also be implemented to meet the policy objectives.

Cost-benefit analysis

Evidence and data

The Department has used an appropriate range of evidence sources to inform the analysis and resulting estimates. The counterfactual/baseline and ban scenarios are informed by engagement with external industry experts, with the Department having used the prior consultation to test both the approach and assumptions.

The IA would have benefited from considering any international evidence, from countries where similar plastic products either have already been banned or are due to be banned, to support the assessment of the impacts.

Methodology

The IA could be improved by explaining the approach to how cost and benefit estimates have been made, more clearly. As currently presented, there are some figures where it is not immediately clear how they arise, based on the information and explanation provided by the Department.

Assumptions, risk and sensitivity

The IA notes that “Although the final NPV is negative, the ban remains the preferred option due to the non-monetised factors excluded from the NPV estimates”, however based on the information presented, it remains unclear as to how the non-monetised factors discussed would offset the quantified costs. The IA should provide more detail as to why this statement is true, and supports the position that if all aspects were to be quantified the policy would have a positive NPV.

Wider impacts

International trade and investment

The Department include a very brief assessment of the impacts to trade in the IA, including a very brief statement that the ban “would increase reliance on imports”. In addition, the Department reference a hypothetical scenario of where if the UK were to have a comparative advantage in the manufacturing of alternatives, then this would be beneficial to the UK. However, the Department does not discuss whether this is at all likely, or whether in fact it is more likely for overseas producers to have a comparative advantage and the UK then becomes even more reliant on imports.

Additionally, the Department earlier in the IA, during the consideration of impacts to wholesalers note the potential for a greater proportion of their stock from overseas and the impact this may have on lead times for customers (which the RPC takes to be the time between order and fulfilment but should be clarified). The IA has not considered the implications of this potential increased reliance on imports, and the resulting effect on the supply chain, in any great detail.

Monitoring and evaluation plan

Despite the Department’s commitment to reviewing the policy, and discussion of the broader programme of work being carried out to support the Resources & Waste Strategy, including contracting Ipsos to conduct an evaluation of the strategy and undertake cost-benefit analysis of each of the policies, the IA does not include any detailed discussion of how the policy will be monitored or evaluated.

The IA does note that the package of bans to be introduced at this time (as noted also covering EPS containers and, plastic plates and cutlery) is one of the key

policies for which a policy evaluation will be undertaken as part of the Ipsos work, but does not address whether the individual impacts of these policies will be evaluated. It is not clear whether the policy is being reviewed separately from the other bans introduced at this time, or together. If the policies were to be assessed as a collective, then it may be difficult to disaggregate the impact of each respective ban, as well as attribute any success towards delivering policy objectives to any specific intervention.

Furthermore, while the IA describes the work that is being carried out along Ipsos, it does not include any information of how the monitoring and evaluation (M&E) will fully take shape.

The Department has included a table setting out that some elements of the M&E plan have already taken place (e.g., the development of a theory of change and a data collection plan) but the outputs which are noted as having already been completed have not been included. The Department needs to explain what framework they will be using to establish whether the ban has been successful or not in achieving its objectives, including what evidence they will be seeking to use to determine this.

Regulatory Policy Committee

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