

## PLASTIC PACKAGING TAX

### About us

Heart of London Business Alliance serves as the voice of 500 businesses and 100 property owners in the Piccadilly and St James's, Piccadilly Circus and Leicester Square areas. Our purpose is to support the commercial wellbeing of the businesses and organisations we represent, and ensure our areas remain integral to London's West End offer as a place for people to visit, live, trade and work.

### Our Response

Business members are widely supportive of the introduction of a plastic tax in order to shift the current linear model for production of plastic materials to a more cost-effective model which supports recycling. It is recognised that producers and sellers of the materials have a role to play in reducing plastic use but businesses widely support the change which could drive shift in ethical consumer purchasing trends.

The business community is largely supportive of the tax but further clarity on how it will be implemented and the potential knock on costs to businesses need to be addressed directly with businesses well in advance of introduction. Businesses consulted on this response were not producers but sellers of the products, therefore understanding of the cost implications further down the chain are at this stage are unknown. As per the sugar tax and the plastic bag tax, businesses are aware of the positive implications of the tax and the environmental benefit that this change could implement.

Businesses within the Business Improvement District (BID) are already making active changes to reduce their plastic use (such as banning plastic straws) and welcome the change in respect to education consumer trends and changes to manufacture methods. It is recognised that a plastic tax would also have this impact, however concerns are raised that the cost implications on products containing in-scope materials will land on the consumer and drive down sales. Advice to businesses on how to "design-out" in-scope materials and how to minimise their use in products in order to maintain sale of products are welcomed.

The threshold of 30% recycled content is recognised as a realistic level for introduction, however there are calls to regularly review this figure once introduced in order to gain a higher recycled content over time. This is because sellers of plastic products would encourage a more economically viable plastic package options that offer a higher level of recycled content. Whilst the 30% is a good starting point targets should be higher and more ambitious.

It is predicted that the plastic tax could encourage growth in UK industry for the alternative materials if encouraged by businesses seeking to purchase materials more locally, leading to financial efficiency gains. There is also a prediction that the introduction of a plastic tax could lead to an industry wide change in the materials used for packaging. This would be welcomed, however considerations of the weight and freight implications of this need to be considered. For example changing from plastic bottles to glass is less efficient due to the added weight and transport needs for this.

The only exemptions to the plastic tax that have been considered are for medical purposes. Where possible alternative materials should be considered however not at the detriment to the healthcare profession.

In summary, the business community are supportive of a plastic tax at a reasonable rate, realising that the principles of the tax motivates changes in the supply chain and make using recycled plastic content more economically viable. The cost to businesses should not be at detriment to the economic viability of sales and profit.