

THE LOCAL LEGACY OF THE PLASTIC BAG LEVY

Showing consumers what they want to see

Consumers buy ethics. A US study into consumer expectations reveals that 89% of Americans would switch brands to one that is associated with a good cause (given similar price and quality).¹ This marks a huge shift over the last 25 years, as this figure was 66% in 1993.

UK consumers behave similarly, with two in five saying that they have either stopped using or never use a brand because of its values or behaviour.² 63% said that they believe brands have a responsibility to give back to society.

This trend is even more stark among the millennial market segment, which will make up an estimated 75% of the UK workforce by 2025.³ 70% of millennials say they consider a brand's ethics and values when making purchases.⁴ Research shows that authenticity and trust are key drivers for these decisions.⁵

The local theme is one of the most effective ways of demonstrating authenticity and trust. Through local initiatives retailers can demonstrate how they are having a tangible, day-to-day social impact in the geographical areas their consumers care about.

“Our customers and colleagues have told us that their local area matters to them – and they expect us to play a leading role at a local level while also using our national scale to achieve wider change.”

Marks & Spencer, Plan A 2025 Commitments

In 2015 the plastic bag levy was introduced to encourage consumers to make more sustainable purchasing decisions. The success of this initiative, coupled with evolving consumer values, demonstrates that good ethical credentials are increasingly expected from brands. Consumers know what they want to see.

1. Communications, '2017 CSR Study'

2. Mediacom Social Change Hub, 2017

3. Forbes, 'Workforce 2020: What You Need To Know Now'

4. Inklings, UK Millennials Report

5. Ibid

Making a success of your programme

In our last blog on the [story so far on the levy](#), we outlined the challenge that fewer single-use bags being sold will mean lower funds for community projects.

Retailers have responded to this issue creatively by:

- increasing the corporate commitment in order to provide the same level of funding
- using funds from the plastic bag levy solely to top up existing community programmes
- finding ways to resource programmes up-front, future-proofing against decreasing levy funds.



1.1 billion single-use carrier bags were sold by large retailers, which amounted to £41.3 million.

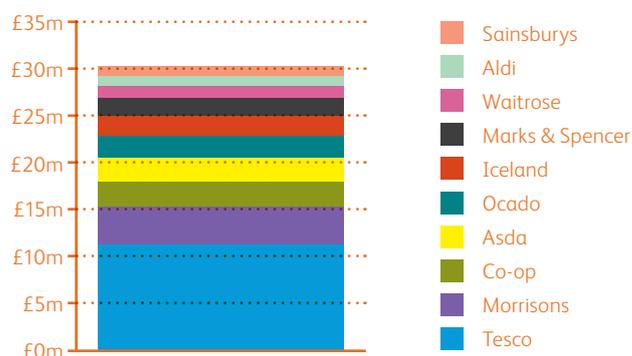


At least £29.2 million was donated to good causes, including local causes chosen by customers or staff.



More than two-thirds of retailers voluntarily provided additional information on the amount donated and the type of good causes. One-fifth of these retailers donated to local causes chosen by customers or staff.

Top 10 retailers by net proceeds (Defra)



Source: Defra Single-use plastic carrier bags charge data 2015-2016



Co-op's Local Community Fund – making great things happen in communities

Co-op launched their local community fund in September 2016 as a way of providing much-needed funding for good causes that contribute to improving local life. The scheme has already had a huge impact, with £9 million being generated for more than 4,000 local causes in the first six months.

Key to the fund's success is Co-op's blended funding approach. When a Co-op member buys own-brand products from food stores or a funeral plan or funeral from Funeralcare they earn a 5% reward for themselves with a further 1% going to local good causes. This is then bolstered by money from the carrier bag charge.

Members are encouraged to go online and choose which cause they would like to support, which has a direct impact on the amount raised for each organisation. Looking to the future the Co-op will move from supporting new causes every six months to an annual cycle, giving longer to develop local partnerships with the causes. The business forecasts handing out over £100m to members and their communities by 2018.

This innovative approach means that the Co-op's impact in local communities can be sustained beyond plastic bag funds. CAF is delighted to partner with Co-op in disbursing the funds to local causes, helping them achieve the necessary scale and reach to reflect their footprint as they support communities in every UK postal area.

How high street retailers achieve scale

Single-use plastic carrier bags charge data shows that the volume of reusable bags sold by high street retailers is lower than for grocery retailers. This lower level of community funding can make it more challenging for high street retailers to achieve similar local reach and impact to their grocery counterparts.

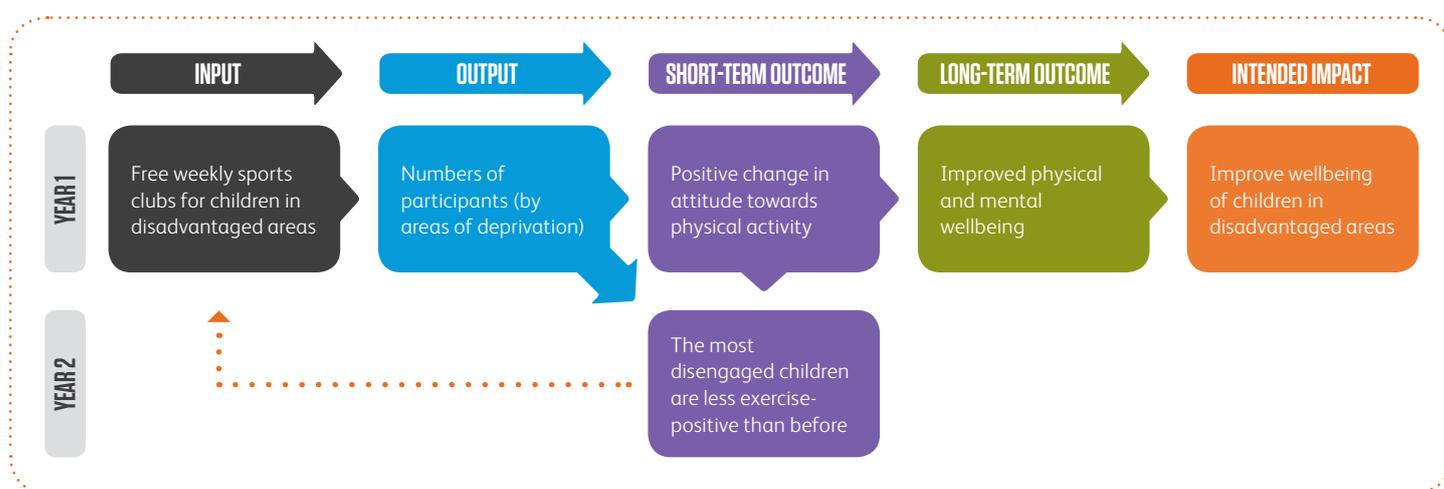
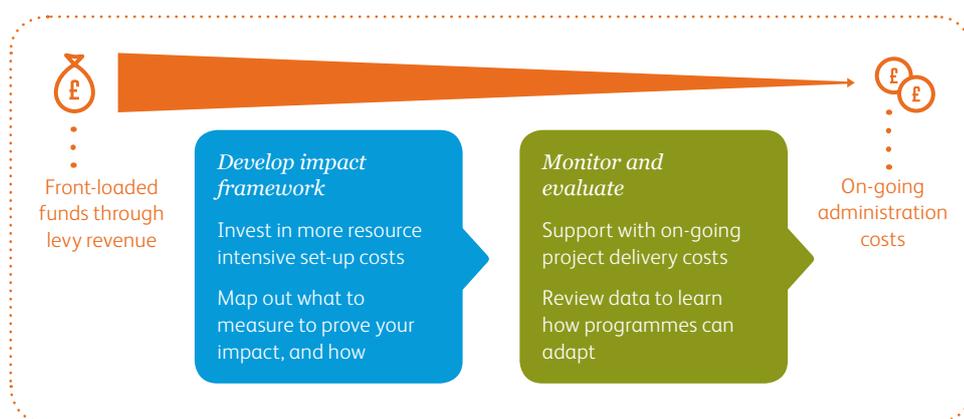
This challenge has been tackled in different ways. **Boots** has partnered with BBC Children in Need to access their network of over 2,500 community projects, enabling the retailer to help their customers care for the environment while also making a difference in their local communities.

H&M channels bag charge proceeds into their Foundation to support on-going work with their charity delivery partners. Through the **H&M Foundation** they can contribute on a local level through projects that address specific and urgent local needs.

How to maximise the impact of your community programme

Another way to develop a more sustainable community approach is to front-load funding to correspond to the level of incoming funds generated through the levy (as shown in the diagram to the right). This not only gives you a long-term funding model, but also provides an ignition point at the beginning of your programme to plan something truly impactful.

Developing an impact framework enables your company to demonstrate the change that is achieved, and it should be at the heart of community programmes. Methodically mapping out your impact, like the Theory of Change example does below, helps you pinpoint the exact and unique change your business is making. This strengthens your licence to operate in the community by demonstrating a thoughtful and positive approach.



The above example shows how a local sports club is achieving its intended impact of improving the wellbeing of children in disadvantaged areas. Although it was effective in Year 1, Year 2 is showing less impact.

By knowing what to measure and how, we learn that in Year 2, the least active children are becoming more disengaged. Digging into the data behind the framework reveals that this is because there is only one group class for all ability levels, which makes beginners feel intimidated. We can then learn from this and feed it back into the design of the programme, changing the 'input' to classes of smaller groups separated by levels of ability.

As local needs change and evolve over time, it is essential that retailers also adjust and further develop their programmes. Having an adaptive and intelligent impact framework is the best way to achieve this.

To find out how to transform your plastic bag funds into high-impact community programmes, please contact:

Sumeet Randhawa, Corporate Client Manager
 E: srandhawa@cafonline.org T: 03000 123 272

Registered charity number 268369