

# Overview of the Packaging Producer Responsibility Reforms

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# The UK's first, largest and leading Producer Responsibility Scheme



**100% compliance record**  
**25 years experience**  
**180+ employees**

## Trusted by Industry Leaders



## Statistics we're proud of

**90**

**mentions within  
Defra's 2022  
Packaging EPR  
Impact Assessment**

Industry's most referenced  
private business; a trusted  
adviser of Government

**70%**

**of the plastic packaging recycling  
evidence notes we bought in 2021  
came from UK reprocessors**

Rest of UK combined 47%



# The Packaging Reforms

**4 core initiatives will transform UK packaging producer responsibility**

## **Packaging Waste Regulations 'EPR' Reform**

**UK-wide**

Producers' financially responsible for funding the total costs associated with dealing with HH packaging waste

## **Deposit Return Scheme for single-use drinks cans/bottles**

**Scotland separate from Rest of UK**

Deposit added to item price, claimed back by consumer upon return of empty can/bottle, promoting recycling

## **Consistent Collections for households & businesses**

**England (each UK nation separately)**

All households and businesses to have at least the same basic set of materials collected for recycling

## **Plastic Packaging Tax**

**UK-wide**

£200 per tonne tax on newly produced/imported plastic packaging that doesn't contain 30% recycled content

# UK Plastic Packaging Tax

**Concerns plastic packaging manufactured or imported into UK from 1<sup>st</sup> April 2022 onwards**

**30% recycled content threshold, applies to each component**

- 30% can't be averaged across multiple packaging components
- ✓ Composite materials where plastic is heaviest material

**£200/tonne tax on packaging with less than 30% RC**

- Quarterly payments to HMRC, starting 1<sup>st</sup> July 2022

**Tax applies on top of any current or future packaging producer responsibility costs**

- HMRC's revenues (~£230m/year) not being ringfenced



# Making Tax Returns to HMRC

## Information to include on Quarterly Submissions

### 1. Total weight of plastic packaging imported & manufactured in the quarter

**DON'T INCLUDE** transport packaging around imported goods in the figure

**INCLUDE** components which are no longer exempt because they're no longer due to be exported

### 2. Total weight of plastic packaging imported/manufactured that PPT isn't due on

- E.g. components have >30% recycled content or your business intends to export them

### 3. Total value of tax credits being netted off your payment

### 4. Total weight of chargeable plastic packaging components after deductions

### 5. Amount of plastic packaging tax being paid

**First returns come due on 1<sup>st</sup> July - Agents can be used**  
**Corrections can be made to returns but will be subject to penalties**



# Being Audited by HMRC

## Information to record

### Use of recycled content must be evidenced with valid documentation

- Production specifications, contracts, certificates of conformity, purchase orders, sales invoices, accreditations, quality assurance audits

### Evidence documentation must be able to show how you arrived at the figures included in your tax returns:

- Must state weight of recycled plastic in an example component vs. weight of all plastic used in the component
  - OR weight of plastic inputs used in manufacturing a number of components vs weight of recycled plastic inputs
- Source of recycled plastic must also be detailed





# Packaging **Extended** **Producer Responsibility**



a Reconomy Group company

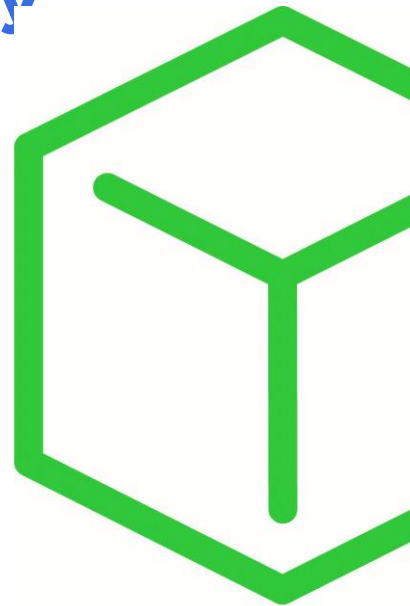
# What is Packaging EPR?

**Packaging Waste Regulations 1997 (PRN system) established to address different objectives & issues to those faced by gov. and industry today**

## **Issues highlighted include:**

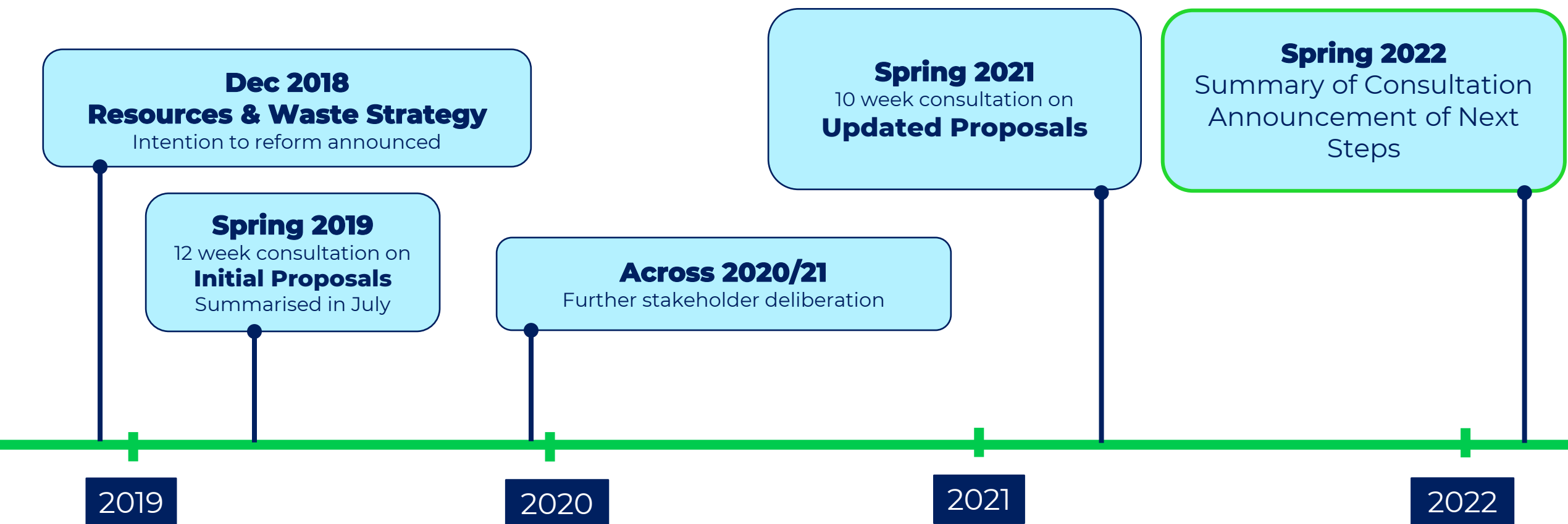
- Packaging supply chain only required to contribute to recycling costs
- Inconsistent funding for local authorities to collect waste
- Online retailers are not fully obligated to fund recycling
- PRN markets can be volatile, limited transparency over funding usage
- Ineffective consumer communications to drive behaviour

**The system is being redesigned to make producers more responsible for the cost of dealing with packaging they place on the UK market**



# Packaging EPR

## Where are we in the reform process?



# Packaging EPR

## Headlines from March's Announcements

# PRNs

## until at least 2026/27

obligates producers to make a contribution to recycling

## Single Party Responsibility from 2024

+ 8 week consultation on enhancements  
running until 21<sup>st</sup> May 2022

# Single Party Responsibility

PRNs and EPR to switch in 2024

## ~~Shared Producer Responsibility~~

~~Different roles in supply chain have different portions of responsibility to buy PRNs/fund recycling~~



## Single Party responsibility for PRNs and Household EPR costs



Current £2m turnover/50 tonne exemption thresholds maintained  
plus new £1m turnover/25 tonne threshold for reporting only

# Packaging EPR

## Headlines from March's Announcements



**EPR costs for HH Pckg only**

**Annual Cost of Reforms to Producers**

**£2.7bn revised down to £1.7bn**



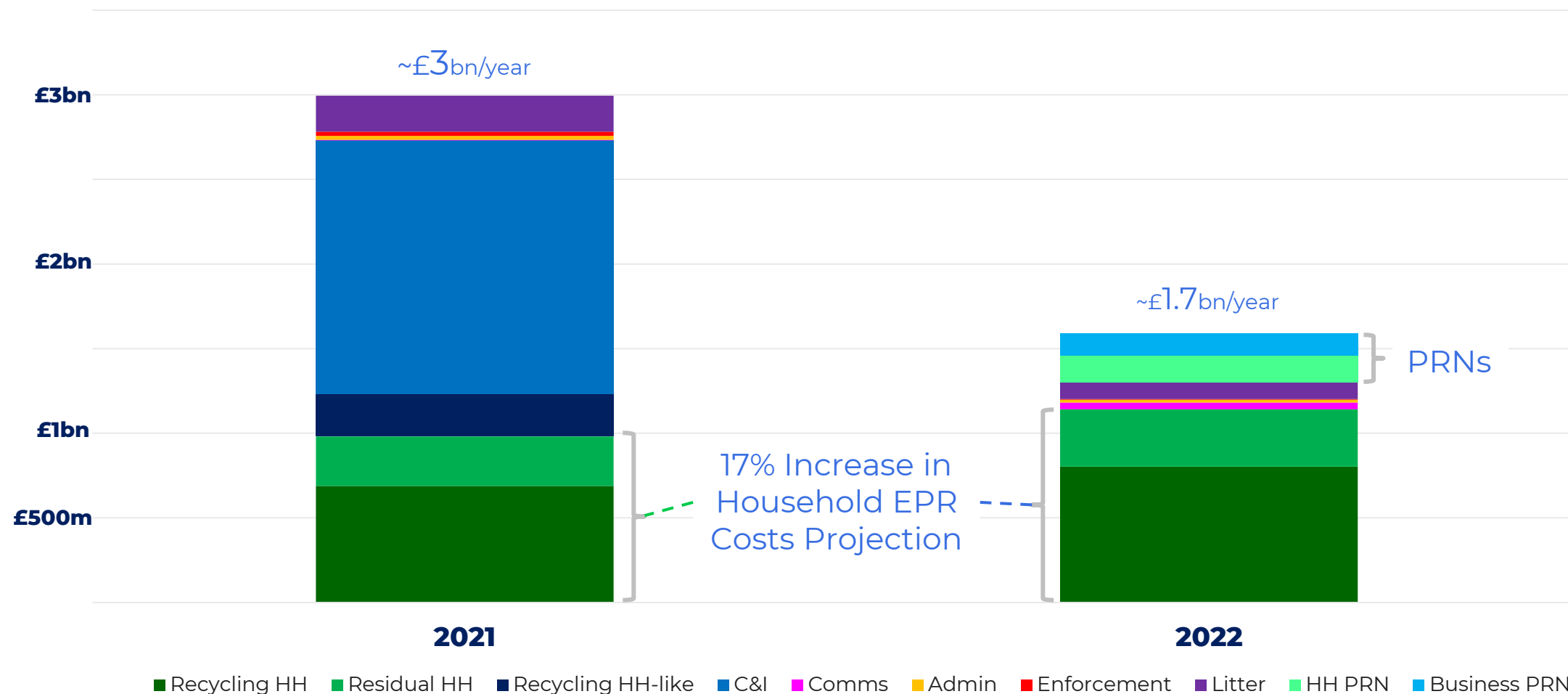
# Packaging EPR

## Comparing Cost Estimates from Impact Assessments

| Packaging EPR Activity     | Government's 2 <sup>nd</sup> Impact Assessment (2021) | Gov's Final Impact Assessment (2022) | Difference     |
|----------------------------|-------------------------------------------------------|--------------------------------------|----------------|
| Recycling Household        | £689,000,000                                          | £803,000,000                         | <b>+17%</b>    |
| Recycling Household-like   | £249,000,000                                          |                                      | <b>Removed</b> |
| Residual Household         | £292,000,000                                          | £338,200,000                         | <b>+16%</b>    |
| C&I                        | £1,500,000,000                                        |                                      | <b>Removed</b> |
| PRN System Revenues (est.) |                                                       | £333,000,000                         |                |
| Litter                     | £212,000,000                                          | £98,100,000                          | -64%           |
| Comms                      | £704,218                                              | £39,600,000                          | +5623%         |
| Admin                      | £23,000,000                                           | £16,920,000                          | -26%           |
| Monitoring & enforcement   | £25,000,000                                           | £4,100,000                           | -84%           |

# Packaging EPR

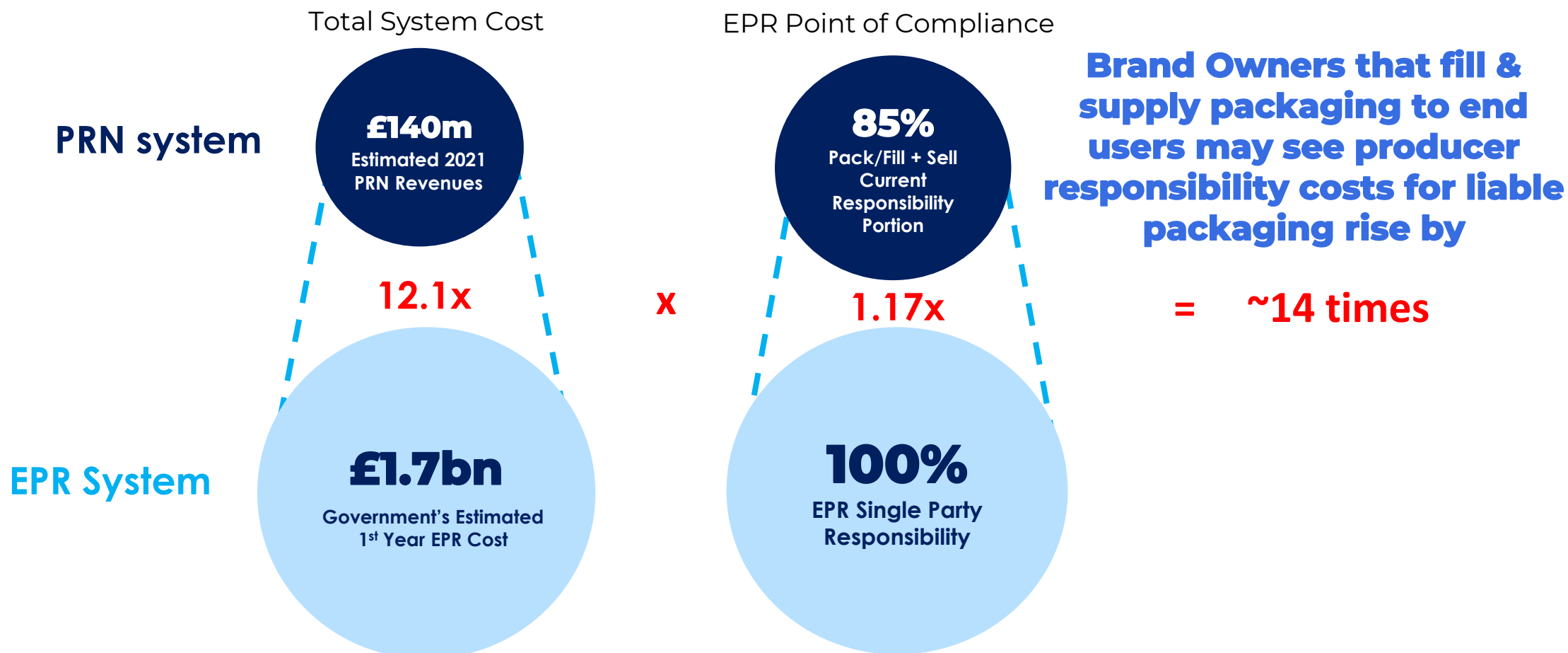
## Comparing Cost Estimates from Impact Assessments



# EPR Reform

## Cost Increases in Perspective

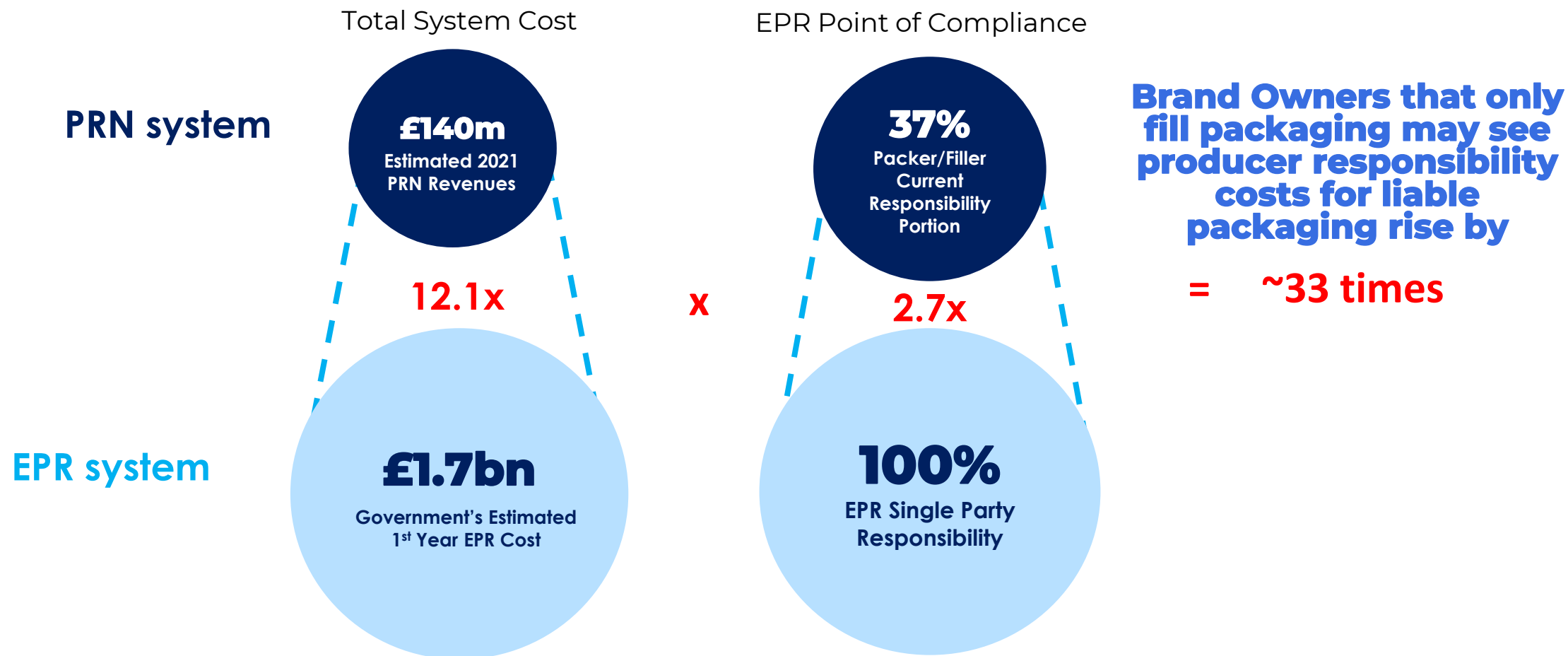
**Less businesses will be required to cover more costs**



# EPR Reform

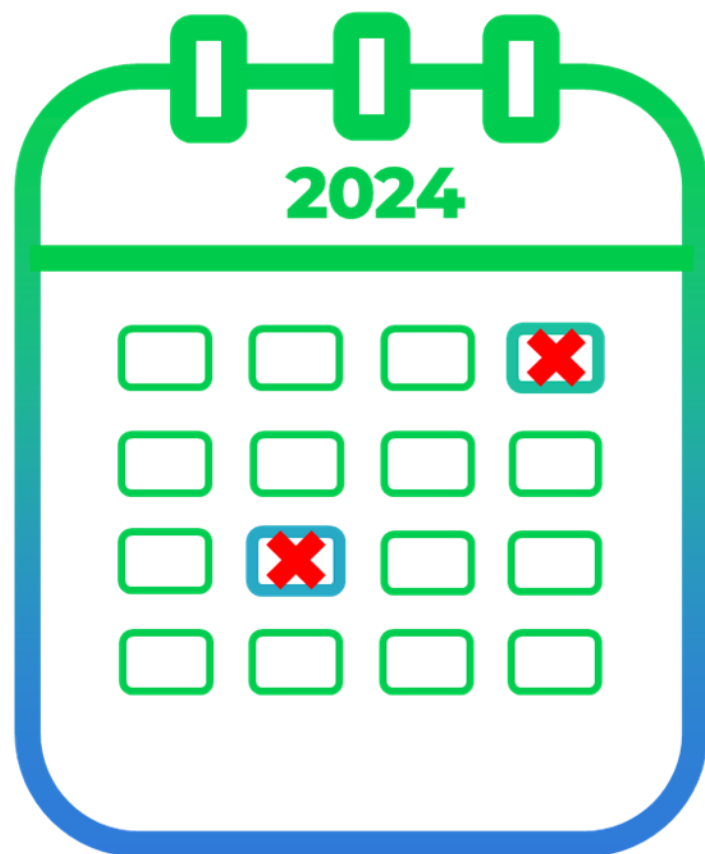
## Cost Increases in Perspective

**Less businesses will be required to cover more costs**



# Packaging EPR

## Headlines from March's Announcements



## Bi-Annual Reporting

PRN reporting as current in 2023

EPR reporting every 6 months, from late 2023\*

Reduced £1m/25t reporting threshold from 2024

EPR Reporting by recyclability starts late 2024

Sellers report POM by nation from late 2024

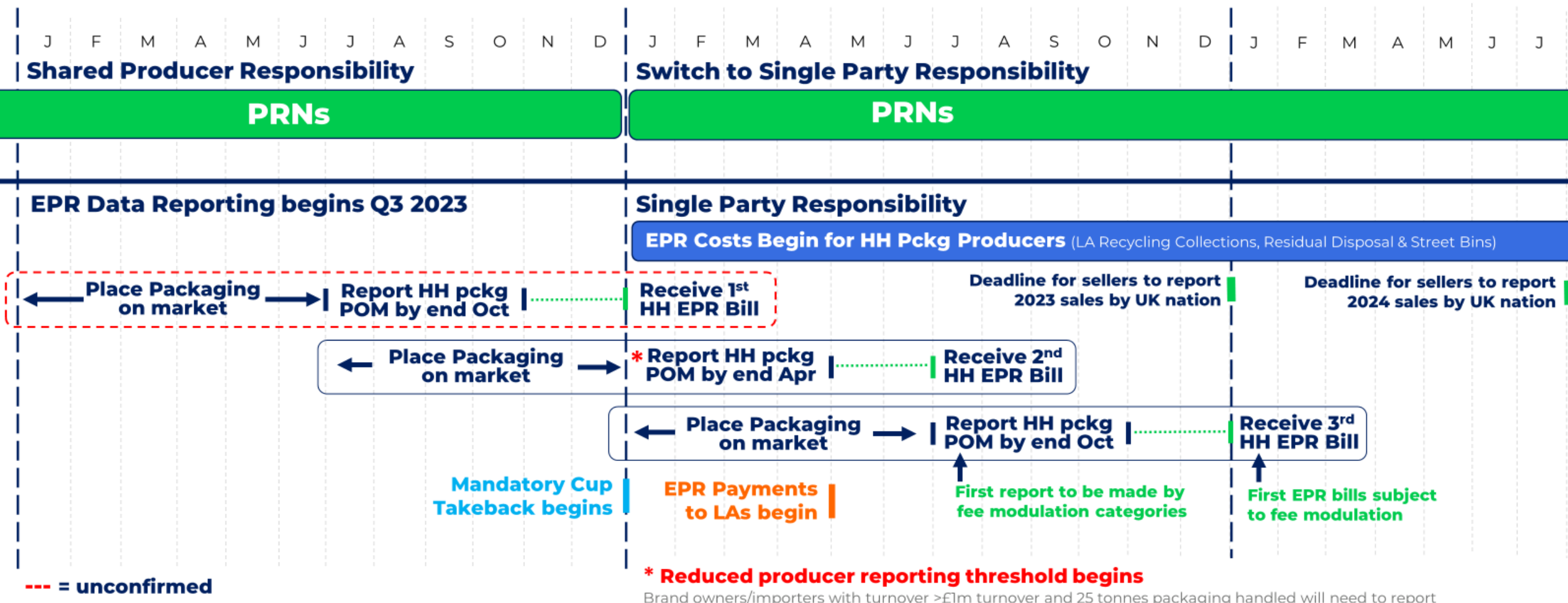
# Implementing Reforms

## Producer Reporting & Payments Schedule

### 2023

### 2024

### 2025



# Packaging EPR

## Headlines from March's Announcements



### **EPR Fee Modulation**

according to recyclability  
from 2025, based on 2024 POM



### **Mandatory Composite Cup Takeback**

For large sellers from 2024  
All sellers from 2025



### **Mandatory Binary Recyclability Label**

Consumer & Delivery by Apr '26  
Consumer Films by Apr '27



**Glass to be excluded**  
from English & N.Irish DRS  
More information post-purdah

# Deposit Return Scheme Update

## Summary of spring 2021 consultation not yet published

- More information expected post-purdah

## Glass not in-scope for England and likely N.Ireland

- Wales joins Scotland in going 'all-in' with glass included
- Potential for reporting complexity, RVM specs by nation

## Common size scope will be pursued in all UK nations

- 50ml-3L and multipack containers in scope

## Lots of clarity still to be received for Rest of UK DRS

- Final implementation date, administrator, deposit level, fees



# Scottish DRS Update

## **Dec 2021: Scottish DRS delayed until 16<sup>th</sup> August 2023**

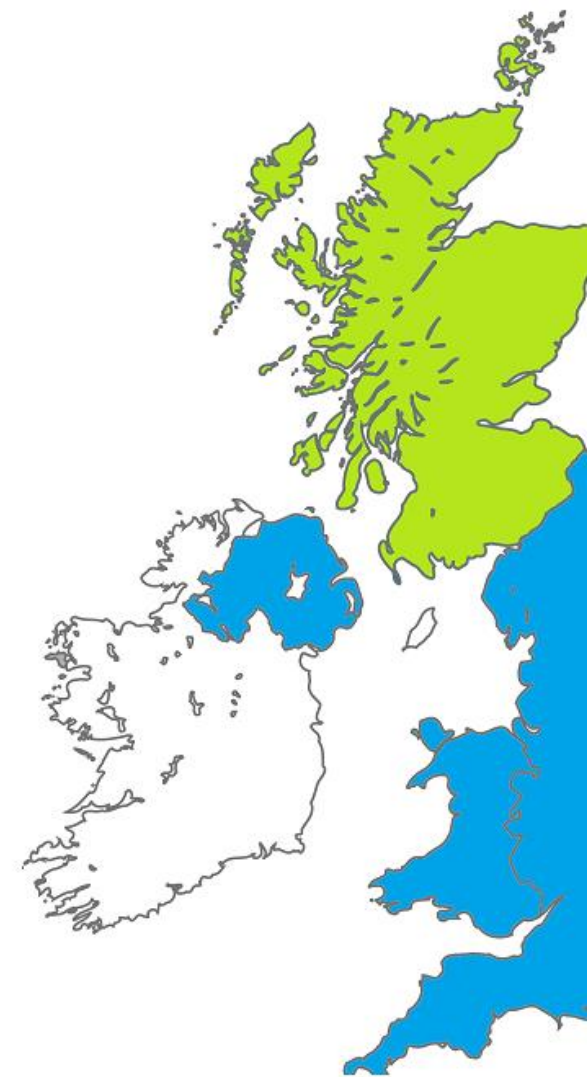
- 80% collection target for 2024, 90% in 2025 and thereafter
- Producers need to be recording 2022 sales in advance of 2023 reporting

## **Circularity Scotland sending communications to registered members**

- Sign up to CSL for updates!
- Producer fee rates expected to be communicated in summer 2022

## **Concerns over how implementation will be managed**

- PRN consultation being held may inform SEPA how best to implement Scottish DRS alongside existing PRN obligations for in-scope containers



# Looking ahead

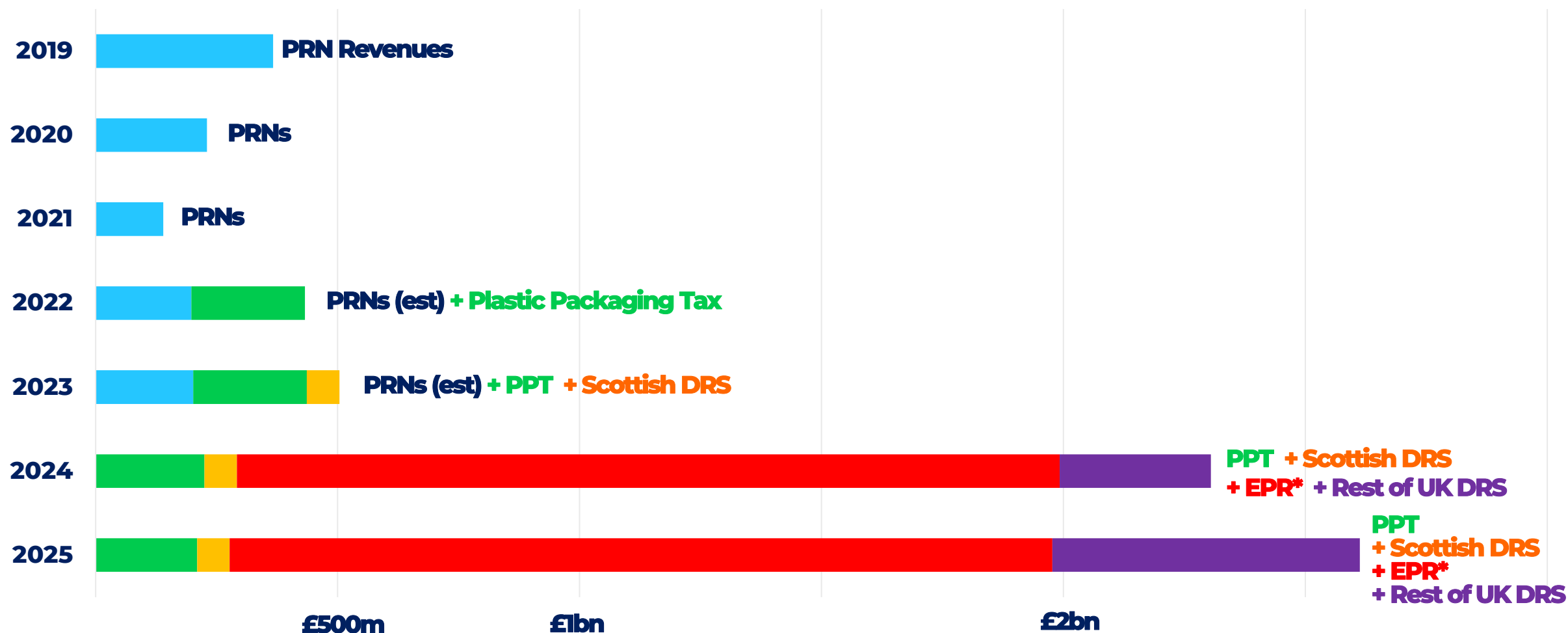
## What aspects of DRS are still to be decided/announced?

- Producer and handling fee levels for both systems
- Will DRS implementation cost estimates change like EPR's?
- Timings/implications of DRS for PRN system
- Rest of UK DRS administrator appointment
- Rest of UK DRS RVM specifications
- Feasibility of digital DRS
- VAT on deposits



# The Packaging Reforms

## How much will they cost obligated businesses?



\* includes expected revenues to retained PRN system

# Thank you Questions?

**George Atkinson**  
Policy Manager

