



**ENVIRONMENT AND CLIMATE CHANGE OVERVIEW AND  
SCRUTINY COMMITTEE – 13 JUNE 2024**

**COLLECTION AND PACKAGING REFORMS**

**REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT**

**Purpose of the Report**

1. The purpose of this report is to provide the Environment and Climate Change Overview and Scrutiny Committee with a summary of the Government's recent policy announcements on the Collection and Packaging Reforms (CPRs).

**Policy Framework and Previous Decisions**

2. In 2018, the Government released its Resources and Waste Strategy for England (Our waste, our resources: a strategy for England) which sets out key objectives for dealing with waste at a national level, promoting resource efficiency and aiming to establish a circular economy where products are used again and again or for longer through reuse, repair and recycling. It also commits to doubling resource productivity, eliminating avoidable waste of all kinds by 2050 and reflects the ambition of a core pledge in the Government's 25-year Environment Plan to leave the environment in a better condition for the next generation.
3. Following this, the Environment Act was passed into law in 2021 which paves the way for key waste reforms setting out how Government policy will be implemented. The Act supports transition to a more circular economy, incentivising people to recycle more, encourages businesses to create more sustainable packaging and supports the achievement of a 65% recycling target for municipal waste by 2035. It sets legally binding targets for areas covering air quality, water, nature and biodiversity and waste and resource efficiency including a legislative target to halve the amount of residual waste per person (excluding mineral waste) that is sent to landfill and incineration for England by 2042 compared with 2019 levels.
4. Legislation in the Environment Act 2021 will enable waste reforms such as a consistent set of recyclables through simpler recycling, a deposit return scheme for single use drinks containers and extended producer responsibility for packaging which makes producers pay the full net costs of managing packaging, including the recycling and disposal. Collectively, these three waste reforms are known as the CPRs and introduce major changes to how waste is paid for and collected.

5. The Government published the Net Zero Strategy in 2021 committing action towards the near elimination of biodegradable municipal waste to landfill from 2028 and providing separate food waste collections for all households from 2025.
6. The waste reforms support the objectives of the Council's Environment Strategy 2018-2030, Net Zero Leicestershire Strategy and the Clean and Green outcome within the Council's Strategic Plan 2022-2026.
7. The recently adopted Leicestershire Resources and Waste Strategy 2022-2050 (LRWS) considered the potential forthcoming legislative changes and these are reflected accordingly within the Strategy. The LRWS is a joint strategy for the County Council and the seven Leicestershire district councils, which collectively comprise the Leicestershire Waste Partnership.

### **Background**

8. The CPRs, comprise:
  - a) Extended Producer Responsibility (EPR): designed to introduce more recyclable packaging into the system.
  - b) Deposit Return Scheme (DRS): designed to recycle plastic bottles and other drinks containers.
  - c) Simpler Recycling: designed to increase recycling through local authority waste collections.

### **Extended Producer Responsibility for packaging**

9. The EPR is an environmental policy approach through which a producer's responsibility for a product is extended to the post-use stage. This incentivises producers to design their products to make it easier for them to be reused, dismantled and/or recycled at end of life.
10. In 2019, the Government set out the case for significant reforms to the packaging responsibility system, including making producers pay the full net cost of managing packaging once it becomes waste, setting more ambitious targets for producers and introducing clear and consistent labelling for recyclability. The draft regulations, which implement these reforms, have recently been consulted on and the Government has considered the responses to the consultation and made amendments as appropriate.
11. EPR activities include the following:
  - a) EPR will be implemented in a phased manner from 1 October 2025 focussing on payments for household packaging waste and 'on the go' packaging in street bins. No payments will be made in England and Northern Ireland for packaging waste that is littered.

- b) Modulated fees based on the ease of recyclability of packaging will be introduced from 2026 (i.e. less recyclable packaging will attract higher fees).
  - c) Mandatory take back scheme for the collection and recycling of fibre based composite cups (disposable coffee cups) will be implemented from 2025.
  - d) Payments to cover commercially collected packaging waste will not be introduced straightaway. A cross-sector task force will be established to develop evidence, undertake analysis, and identify options.
  - e) Mandatory labelling of packaging for recyclability with a single labelling format – the use of the ‘Recycle Now’ recycle mark and relevant wording (recycle/do not recycle) will be required by 31 March 2027.
  - f) All compostable and biodegradable packaging will be required to be given the ‘do not recycle’ label allowing time to build evidence that it can be collected and composted separately.
  - g) Necessary costs – costs in scope must be necessary in collecting, managing, recycling and disposing of household packaging and connected to the delivery of efficient and effective systems.
  - h) A Scheme Administrator will set out how it proposes to calculate costs associated with efficient and effective services, both for the recycling and residual household packaging waste streams, and what considerations should be made in assessing efficient and effective systems and local authority performance.
  - i) Payments will be made directly to the authorities that incurs costs associated with their management functions with disposal authorities in two-tier areas (England only) receiving the disposal cost element of the residual payment, unless other arrangements have been made between authorities. Payments to be made quarterly in arrears, on a financial year basis.
  - j) An EPR Statutory Instrument has been developed. The consultation on the draft Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024 closed on 9 October 2023.
12. Potential for other waste streams to be considered for EPR in the future include textiles and bulky waste (such as mattresses, carpets, furniture etc).
13. Payments will be provided to authorities for the cost of collecting and managing household packaging waste through effective and efficient services and the Department for Environment, Food and Rural Affairs (Defra) aims to communicate to individual local authorities a final estimate amount of payment for the 2025/26 payment year by 1 November 2024. The final amount will be

confirmed in 2025 and authorities will receive their first payments by the end of December 2025.

### Deposit Return Scheme

14. A DRS for drinks containers is a system where consumers are charged a deposit up front when they buy a drink in a container that is 'in scope' of the scheme. The deposit can be redeemed when the empty container is returned to a designated return point.
15. The DRS for drinks containers is due to launch in October 2027 with the aim to increase recycling rates, increase the quality of recycling and reduce litter.
16. Consumers will be able to return drinks containers to designated points (via reverse vending machines or manual return points) and redeem the deposit that was paid upfront when purchasing the container. The deposit level will be set by the Deposit Management Organisation, the central body whose role is to administer the operation of the DRS.
17. All UK nations will be including Polyethylene terephthalate (PET) drinks bottles (such as fizzy drink bottles) and steel/aluminium drinks cans. For all materials in scope the size is 150 ml to 3 litres. Glass and HDPE (milk) bottles are not included in the scheme (though remain in scope of packaging EPR).
18. A small proportion of DRS containers will continue to remain in local authority waste streams such as kerbside collections and household waste recycling centres where a consumer decides to forego their deposit.
19. The Government has confirmed that local authorities (and where relevant waste operators) can participate in the scheme by separating out containers and redeeming the deposit on them providing they meet the quality required for return. The financial implications are not yet fully understood.

### Simpler Recycling

20. Formerly known as 'Consistency in Collections' but retitled 'Simpler Recycling' following a Government update. The aim of Simpler Recycling is to:
  - a) Improve the quantity and quality of municipal waste recycled in England.
  - b) Improve recycling rates and ensure less waste goes to landfill.
  - c) Help to tackle environmental impacts of food and plastic waste.
  - d) Reduce confusion and make recycling easier.
  - e) Help grow the UK recycling industry and ensure more recycled material in purchased products.
21. Across England, people will be able to recycle the same materials and the Government will introduce exemptions to all councils to offer just three waste containers (bins, boxes or bags) for dry recycling, food waste and residual (non-recyclable) waste.

22. From 31 March 2026 (with the exception of plastic films which will need to begin by 31 March 2027), all local authorities in England must collect the same recyclable waste streams for recycling or composting from households.
23. The dry recyclable waste streams include:
  - a) Paper and card;
  - b) Plastic (including bottles, pots, tubs and trays, tubes, cartons, films and flexibles);
  - c) Glass packaging (including bottles and jars);
  - d) Metal (including tins and cans, aerosols, aluminium tubes, foil and food trays).
24. It is the responsibility of local authorities to arrange for the collection of garden waste for which they may levy a charge. They must also arrange for a weekly collection of food waste, which ideally will go for anaerobic digestion.
25. All non-household municipal premises in England (such as businesses, schools and hospitals), must make arrangements to have the same set of recyclable waste streams (with the exception of garden waste) collected for recycling or composting by 31 March 2025.
26. Through statutory guidance, the Government requires local authorities to collect residual (non-recyclable) waste at least fortnightly, if not more frequently. The Government actively encourages councils to collect residual waste more frequently than fortnightly – this minimum standard provides a backstop, not a recommendation.

### Funding

27. The Government recognises that the CPRs will impose additional costs on local authorities and has indicated that the costs of new statutory duties for authorities should be covered in line with Government guidance on new burdens<sup>1</sup>. Funding will be through a combination of the following:
  - a) Reasonable new burdens funding to local authorities to provide weekly food waste collection from households. Funding will include capital costs (such as vehicles and containers), as well as resource costs (such as vehicle re-routing, communications and project management) and ongoing service costs (such as collection costs). A funding formula is being developed and capital costs will be paid to local authorities implementing a food waste service after 1 April 2023. The capital funding allocations have been confirmed and received by the waste collection authorities.
  - b) EPR for packaging payments will be provided to local authorities, with packaging producers responsible for the costs of collecting and managing

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<sup>1</sup> Broadly a new burden is defined as any policy or initiative which increases the cost of providing local authority services. This includes duties, powers or any other changes which may place an expectation on local authorities including new guidance.

packaging waste through efficient and effective services. Payments' modelling is currently under way.

- c) Waste collection authorities may, as they can now, recover a reasonable charge for the collection of garden waste.

### **Resource Implications**

28. The financial implications of complying with any future changes will be subject to full financial scrutiny, either as part of individual business cases or as part of future budget setting via the Medium Term Financial Strategy (MTFS) process. The impact of EPR and food waste implementation is included in the MTFS 2024/25 – 2027/28. The figures below are initial estimates produced by the Council pending release of Defra's calculation methodology.

|                           | 2024/25<br>£000 | 2025/26<br>£000 | 2026/27<br>£000 | 2027/28<br>£000 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
| EPR for Packaging         | 0               | -345            | -745            | -745            |
| Food Waste Implementation | 0               | 130             | -70             | -185            |

Table 1: MTFS – Environment and Waste Cost and/or Efficiency Savings/Income (-)

29. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

### **Timetable for Key Dates**

| <b>Key Targets/Milestones/Commitments</b>  | <b>Date</b> |
|--|-------------|
| EPR payments to begin  | 2025        |
| Mandatory Take Back for fibre based composite cups   | 2025        |
| Collection of dry recyclables and food waste from non-household municipal premises in England (such as businesses, schools and hospitals). Micro firms (businesses with less than 10 Full Time Equivalent staff by 2027) | 2025        |
| Collection of dry recyclables and food waste from households   | 2026        |
| DRS commencement   | 2027        |
| All packaging types to be labelled as 'recycle' or 'do not recycle'  | 2027        |
| Collection of plastic film and flexibles from households   | 2027        |
| 65% recycling rate for municipal solid waste   | 2035        |

| <b>Key Targets/Milestones/Commitments</b>  | <b>Date</b> |
|--|-------------|
| Municipal waste to landfill 10% or less  | 2035        |
| Residual waste (excluding major mineral wastes) to be 287 kilograms per capita, equivalent of 50% of 2019 levels | 2042        |
| Eliminate avoidable waste  | 2050        |
| Double resource productivity   | 2050        |

Table 2: Timetable for Implementation

### **Conclusions**

30. Officers continue to fully engage where appropriate to understand the implications of these policy changes including engaging with key stakeholders. Full cost implications remain uncertain but the recently adopted LRWS sets a robust policy position for an imminent period of substantial change (2025 – 2027), longer-term goals and will help deliver on Net Zero priorities.
31. Members are asked to note the summary provided of the Government's recent policy announcements on the Collection and Packaging Reforms.

### **Background Papers**

7 March 2019 – Environment and Transport Overview and Scrutiny Committee – Resources and Waste Strategy  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1044&MID=5703> (item 161)

3 September 2021- Environment and Climate Change Overview and Scrutiny Committee – Briefing on the Resources and Waste Strategy  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1292&MID=6686> (item 10)

### **Circulation under Local Issues Alert Procedure**

None.

### **Equality Implications**

32. There are no equality implications arising from the recommendations in this report.

### **Human Rights Implications**

33. There are no human rights implications arising from the recommendations in this report.

**Officers to Contact**

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