



**HIGHWAYS, TRANSPORT AND WASTE OVERVIEW AND SCRUTINY
COMMITTEE – 6 NOVEMBER 2025**

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 Highways, Transport and Waste Overview and Scrutiny Committee with a summary of the Government's 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 waste reforms support the objectives of the Council's Environment Strategy 2018-2030 and the Clean and Green outcome within the Council's Strategic Plan 2022-2026.
6. The management of municipal waste in Leicestershire is undertaken by Leicestershire County Council (the Waste Disposal Authority (WDA)) and the seven district councils (Waste Collection Authorities (WCAs)). As WCAs, the district councils provide kerbside collections of residual waste and recycling. As a WDA, the Council provides recycling, composting, treatment and disposal outlets for waste collected across the County and operates 13 household waste recycling centres (HWRC) for residents to use.
7. The 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.
8. Presently, a Circular Economy Strategy for England is being developed by an independent Circular Economy Taskforce. The Government is committed to transitioning the UK to circular economy and intends the Strategy to deliver objectives, such as drive economic growth by stimulating investment in technologies, sectors and infrastructure and increase resource efficiency and productivity. The taskforce has identified key sectors, such as textiles and electrical equipment with the most potential to grow the economy and protect the environment.

Background

9. 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

10. The EPR is an environmental policy approach through which a producer's responsibility for a product is extended to the post-use stage, which historically have been covered by local authorities. This incentivises producers to design their products to make it easier for them to be reused, dismantled and/or recycled at end of life.

11. EPR activities include the following:

- a) From 1 April 2025, local authorities are being compensated by packaging producers for the costs of efficiently and effectively managing household packaging waste collected from households and deposited at their HWRC (net of income).
- b) Modulated fees based on the ease of recyclability of packaging will be introduced from year two (2026/2027) (i.e. less recyclable packaging will attract higher fees) to drive a shift to more environmentally sustainable packaging design.
- c) 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.
- d) 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 included in future amendments to the EPR legislation.
- e) Costs in scope of the EPR scheme must be necessary in collecting, managing, recycling and disposing of household packaging and connected to the delivery of efficient and effective systems.
- f) The Scheme Administrator, PackUK, uses a model to calculate the costs associated with the delivery of efficient and effective services, both for the recycling and disposal of household packaging waste streams, and what considerations should be made in assessing efficient and effective systems and local authority performance.
- g) Payments are then made directly to the local authorities that incur costs associated with their management functions with disposal authorities in two-tier areas (England only) receiving the disposal cost element of the residual payments. These cover net efficient costs associated with collection of household packaging waste brought to HWRCs and disposal of household packaging waste from kerbside collections and HWRCs, unless other arrangements have been made between local authorities. PackUK will have the ability to adjust the disposal cost payment to a local authority where they consider an authority is not delivering against reasonable cost and performance benchmarks of efficient and effective services.

12. There is potential for other waste streams to be considered for EPR in the future, including textiles and bulky waste (such as mattresses, carpets, furniture etc).

13. The Department for Environment, Food and Rural Affairs (Defra) communicated to individual local authorities a final estimate amount of payment for the 2025/26 payment year in July 2025. Local authorities will receive their

first payment by the end of December 2025 for quarters one and two, January 2026 for quarter three and March 2026 for quarter four. Going forward, local authorities will receive four separate quarterly payments each year from April 2026.

Deposit Return Scheme

14. A DRS for drinks containers is a system where consumers are charged a deposit upfront 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. A DRS for drinks containers is due to launch across the UK 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. The scheme includes polyethylene terephthalate (PET) drinks bottles (such as fizzy drink bottles) and steel/aluminium drinks cans between 150 ml and 3 litres. Glass and high density polyethylene (HDPE) bottles, such as 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 and operational implications are not yet fully understood.
20. The Deposit Management Organisation for the UK's DRS is UK DMO. Appointed by the Government in May 2025, this not-for-profit, industry-led organisation will manage the DRS for single-use drinks containers.

Simpler Recycling

21. 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.

22. From 31 March 2026 onwards (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 flexible plastics such as bags and wrappers);
 - c) Glass packaging (including bottles and jars);
 - d) Metal (including tins and cans, aerosols, aluminium tubes, foil and food trays).
24. Local authorities must provide garden waste collections, 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), had to 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. Micro-firms (<10 employees) have until 31 March 2027 to comply.
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 local authorities 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 local authorities should be covered in line with Government guidance on new burdens which is broadly 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. 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). The capital funding allocations have been confirmed and received by the WCAs. WDAs, including the County Council, will not receive new burdens funding linked to providing food waste transfer and disposal services.

- b) EPR for packaging payments will be provided to local authorities from 2025/26, with packaging producers responsible for the costs of collecting and managing packaging waste through efficient and effective services.
- c) WCAs 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.
- 29. The anticipated total EPR for packaging payment for the financial year 2025/26 is £5,731,429 with a one-off in year top up from the Ministry of Housing, Communities and Local Government of £601,571. Future payments are expected to decrease as producers begin responding to the policy by reducing the amount of material used in packaging. Additional costs of £130,000 in 2025/26 for food waste was recognised in the 2025-2029 MTFS, with anticipated savings arising in subsequent years (£130,000 in 2026/27 rising to £150,000 from 2027/28 onwards). Financial implications are being reviewed as part of the 2026-2030 MTFS process.
- 30. 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

Key National Targets/Milestones/Commitments	Date
EPR payments to begin	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
Collection of plastic film and flexibles from households	2027
65% recycling rate for municipal solid waste	2035
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

Key National Targets/Milestones/Commitments	Date
Eliminate avoidable waste	2050
Double resource productivity	2050

Conclusions

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

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)

Leicestershire Resources and Waste Strategy 2022 – 2050
<https://www.lesswaste.org.uk/wp-content/uploads/2023/04/LeicestershireResources-and-Waste-Strategy-2022-2050.pdf>

13 June 2024 – Environment and Climate Change Overview and Scrutiny Committee – Collection and Packaging Reforms
<https://democracy.leics.gov.uk/documents/s183335/Collection%20and%20Packaging%20Reforms.pdf>

Circulation under Local Issues Alert Procedure

None.

Equality Implications

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

Human Rights Implications

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

Environmental Implications

35. The reforms are anticipated to deliver environmental benefits such as decreased litter, increased recycling rates, reduced reliance on virgin materials and an overall reduction in residual waste.

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