

The Highland Council

Agenda Item	8.
Report No	CP/5/25

Committee: Communities and Place

Date: 30 January 2025

Report Title: Extended Producer Responsibility for Packaging

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report provides Members with information on recently introduced Extended Producer Responsibility for Packaging (pEPR) Regulations.
- 1.2 Extended Producer Responsibility for Packaging Regulations now apply to all UK organisations that import or supply packaging. The regulations mean that these organisations may be responsible for the costs of dealing with packaging waste.
- 1.3 The report details the information that is known to date, further official guidance is expected once the Scheme Administrator is appointed.

2 Recommendations

- 2.1 Members are asked to:
 - i. **SCRUTINISE and NOTE** the purpose of the Extended Producer Responsibility for Packaging Regulations.
 - ii. **SCRUTINISE and NOTE** the estimated 2025/26 financial impact.
 - iii. **SCRUTINISE and NOTE** the importance for demonstrating waste service efficiency and effectiveness.

3 Implications

- 3.1 **Resource** - From 1 April 2025 the Producer Responsibility Obligations through Packaging Waste Regulations 2024 requires the pEPR Scheme Administrator to pay local authorities for the net efficient costs of managing household packaging waste.

Extended Producer Responsibility for Packaging Regulations will bring an additional annual revenue to the Council.

- 3.2 **Legal** - The relevant new regulation is The Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024.

- 3.3 **Risk** - At this stage pEPR payment for financial year 2025/26 is an estimate only and may be subject to change. The methodology and procedures used may still be updated before final payments are made.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - There are not considered to be any Health and Safety implications connected to this report.
- 3.5 **Gaelic** - There are no Gaelic implications arising from this report.

4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full Impact Assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an Impact Assessment is not required.

5. Extended Producer Responsibility for Packaging

- 5.1 To this point the costs of collecting, treating or disposing household packaging has been born entirely by Local Authorities. pEPR makes the producers of the packaging significantly more responsible for the packaging they place on the market at the end of its life.
- 5.2 The purpose of the Regulation is to incentivise the use of less and more easily recyclable packaging materials, to ensure that as much packaging material as possible is recycled, and that adequate funding is raised from the producers to cover the cost of collecting and recycling packaging material when it becomes waste.
- 5.3 Of high importance will be to provide public education and awareness campaigns related to waste and recycling packaging and provide improvements to waste management infrastructure.
- 5.4 From 1 April 2025 the Producer Responsibility Obligations through Packaging Waste Regulations 2024 requires the EPR Scheme Administrator to pay local authorities for the net efficient costs of managing household packaging waste.
- 5.5 Payment to Councils is calculated from a model (the Local Authority Packaging Cost and Performance model or LAPCAP) developed by Defra on behalf of the four nations. This has been used to determine the estimated net efficient costs incurred by every local authority in the UK for the management of household packaging waste.

6. Payment for Financial Year 2025-26

- 6.1 DEFRA has provided Highland Council a provisional notice of assessment and an estimated 2025/26 payment. The estimated pEPR payment to the Council for financial year 2025/26 is £9,503.000.
- 6.2 It must be noted at this stage the value is an estimate only and may be subject to change.
- 6.3 The payment will cover the estimated cost of managing the in-scope (household) packaging element that we process through the collection of non-recycling bins, recycling bins and household waste recycling centres.
- 6.4 pEPR will bring an annual recurring revenue to the Council, however, future levels of income will vary, this will require necessary ongoing assessments during the course of 2025/26 and in future years of Extended Producer Responsibility for Packaging payments.
- 6.5 Implications for the Council's budget planning will be considered as part of the formal budget and council tax setting on 6 March 2025.

7. Service Efficiency and Effectiveness

- 7.1 To support the transition to a circular economy, pEPR seeks to increase the amount of packaging that is recycled, and the delivery of effective Waste Management Services by local authorities is a key aspect of achieving this.
- 7.2 The pEPR Regulations will require the Scheme Administrator to assess the effectiveness of local authority waste management services.
- 7.3 An effectiveness assessment will not be held in the first year of pEPR and therefore the estimated payment provided by DEFRA and detailed within this report does not incorporate this element.
- 7.4 A service will be considered as being effective if it recycles a reasonable proportion of packaging waste (both in each particular packaging stream and overall), considering factors outside the authority's control such as the demographic and geographical characteristics of the authority area.
- 7.5 Our significant ongoing collection service change which has been fully funded through SG RIF funding was specifically and deliberately designed to be aligned to the service standards outlined in the current SG's Household Recycling Charter and Code of Practice. That is to demonstrate that we have an efficient and effective service.

Designation: Assistant Chief Executive - Place

Date: 10 January 2025

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