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UK Packaging Regulations: What are the EPR, DRS and Consistency of Collection consultations, and what impact might they have?

The current packaging regulations (“producer responsibility”) were designed in the late 1990s and revolve around membership of a compliance scheme and evidence known as packaging recovery notes (PRNs). Costs are shared across the supply chain, with raw material suppliers and converters taking a small share and the majority carried by Brands and Retailers. The system was intentionally designed to provide compliance at low cost to industry.

These consultation constitute a major overhaul in waste packaging legislation and will impact sites that are certificated to the BRCGS Packaging and Packaging Materials Standard in the UK.

What is EPR?

The extended producer responsibility (EPR) regulations now being proposed by Defra are a complete overhaul of the PRN system and will involve vast changes. This is the most significant change to the Packaging Regulations for a generation.

At its heart is the intention that the ‘producer’ will pay total cost for treatment of all packaging waste, including local authority kerbside collection, collection of some materials from business, and litter. By ‘producer’, Defra typically means the brand owner, though there are some exceptions where producer responsibility may still fall to packaging converters (see below).

What is DRS?

The deposit return scheme (DRS) is separate and will see a charge being put on certain packaging items expected to include glass bottles, some plastic bottles, and metal cans. While plastic and metal are certain to be included, we understand that the glass industry is seeking to remain in standard kerbside collection.

As consumers we will pay an extra charge (ca. 10-20p per item) at point of purchase. We will all be expected to take the empty container to some ‘reverse vending machine’, at retailers’ and other sites, to reclaim the full amount of that deposit. Scottish DRS is likely to proceed ahead of England & Wales.

What is Consistency?

This Consultation seeks views on the materials to be included in each of the dry recyclable waste streams; will arrange for the collection of food waste; addresses considerations regarding collection of garden waste. It proposes that all businesses and non-domestic premises will be required to arrange for the collection of glass, metal, plastic, paper and card and food waste for recycling or composting.

What does it all mean?

In a nutshell, EPR means that the supply chain will have to find at least £2.7 billion, a vast increase (some 25x) on the current £100-150 million that is paid across all materials. There are other areas of concern:

- System costs. It is proposed that the 'producer' will cover the costs of kerbside collection via local authorities across the UK; will also cover the collection of what is called 'household like' waste from business; and will be expected to pay for litter. These items lead to the DEFRA (minimum) total of £2.7 billion, but there are many questions, and these base costs are likely to rise.

The current proposals also state that a new organization called the 'scheme administrator' will be established to coordinate the regulations. The (undetermined) costs of the scheme administrator are additional beyond the £2.7 bn, as is a proposed communications campaign, scope of which also yet to be decided.

- Obligation on packaging converters. There are occasions in the proposals when the obligation will still fall directly on converters. These are likely to occur when converter is supplying to a small company that falls below the de-minimus (expected to be £1 million turnover.) In this case we understand that the converter will directly pick up 'producer' liability
- It is important to note that Brand Owners participating in DRS are expected by Government to push their additional costs through to the final consumer. This might be seen as attractive compared to the Government expectation under EPR that supply chain will absorb the costs.

Note that the Scottish DRS was working to a different timescale and was due to have come in much earlier than England & Wales. There have been delays and latest reports are that it will now come in August 2023. A move that brings it closer to the timescale for other nations may be welcome to industry.

What is next?

Government was due to publish their conclusion and next steps by end 2021, but that has been put back and we now expect their response in Q1 2022. However, as it stands, the onward deadlines for industry introduction are unchanged, allowing less time.

Previously proposed timeline, may be subject to change:

- Legislation (to cover EPR) was due to be introduced by end 2021. Environment Act complete, allows for other more specific legislation to follow
- 'Scheme Administrator' tender from early 2022, to be appointed by Q3 2022, to be operational 'early' 2023
- DRS in Scotland due to be introduced mid-2022, now set back to Aug 2023
- EPR to become operational by end 2023
- PRN system ends 31 Dec 2023
- DRS in England & Wales from 2024

Conclusion

The developments that will follow in the coming years are the most significant changes to Packaging Regulations for a generation; they will have a substantial impact across the entire packaging supply chain, affecting paper making, converting and recycling Members.

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