

# Implementation timeline

14.1 In response to the 2019 consultation, Government indicated its intention to implement packaging Extended Producer Responsibility in 2023. In developing the proposals set out in this consultation document, further consideration has been given to the steps to implement packaging Extended Producer Responsibility and the timescales required. This section sets out a phased approach to implementing packaging Extended Producer Responsibility.

## Phased approach

14.2 The scale of the reforms means that meeting the 2023 date for implementation is ambitious. There are two critical steps that must be in place to commence roll out of packaging Extended Producer Responsibility. The first is for Government to put in place the Extended Producer Responsibility regulations. second critical step is to appoint the Scheme Administrator. Our current timeline is to appoint the Scheme Administrator in early 2023, but these timings are subject to parliamentary approval of the Environment Bill. We set out the process and timeline for the appointment of the Scheme Administrator in Section 10 and invited feedback.

14.3 Figure 7 presents the proposed phased approach to the introduction of packaging Extended Producer Responsibility and key milestones for each phase. It also shows when other measures that interface with packaging Extended Producer Responsibility will be introduced by Government.

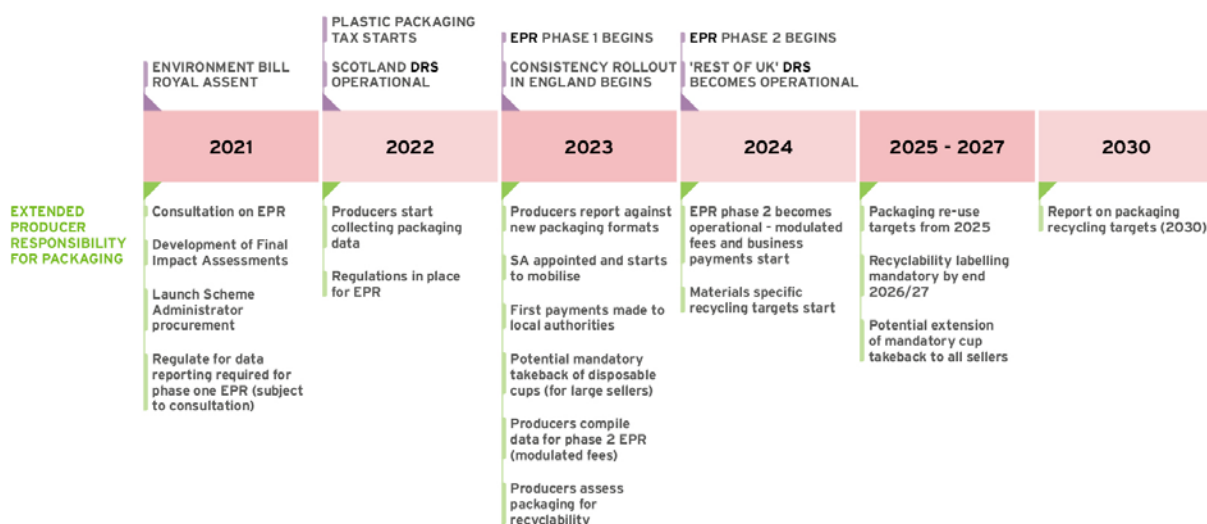


Figure 1 - Phased introduction of Extended Producer Responsibility - indicative timeline

### Phase 1 (January 2023 – April 2024)

14.4 Once appointed, the focus for the Scheme Administrator in Phase 1 would be to establish the process to raise fees from producers to enable payments to be made to local

authorities for the management of household packaging waste in the autumn of 2023. This would require the introduction of new data reporting requirements to provide the Scheme Administrator with suitable data on which to make operational decisions. This would be delivered by a separate Statutory Instrument (SI) introduced in 2021. A separate SI is needed as the packaging Extended Producer Responsibility regulations would not be in force until late 2022. This data SI would place new data reporting obligations on producers obligated under the Extended Producer Responsibility regulations to pay packaging waste management costs. It would require them to compile packaging data in 2022 and report this data in 2023 in order to provide the data on which to determine the sums to be recovered from producers in 2023. The requirements of this data SI are discussed below.

14.5 The Scheme Administrator would also need to determine the costs to be paid by producers for the management of household packaging waste and put in place payment and reporting arrangements with local authorities. This would require the Scheme Administrator to contact and establish relationships with every local authority in the UK. As well as the requirements on the Scheme Administrator during this period, producers would be adapting to new packaging data reporting requirements and new systems for managing and reporting data. Government recognises the scale of change involved and that it will take time for these new systems and arrangements to become established and for data to improve.

14.6 For these reasons we are not proposing that the full costs of managing household packaging waste would be recovered from producers in 2023 and hence local authorities would not receive full cost payments. We propose that payments in 2023 should support those local authorities who do not collect the core set of packaging materials to start collecting additional materials separately for recycling. This could include plastic film where local authorities are able to start collecting this separately for recycling from 2023. For those already collecting the core materials separately for recycling the payments would contribute to their costs of collecting these materials for recycling. These payments could also fund other underpinning activities such as waste compositional analysis. It is proposed that of the order of £250-300m subject to final analysis is raised in year 1, which is around a third of the estimated net total cost of collecting and recycling packaging waste from households in 2023. All local authorities would receive a payment. Payments would not be performance-based.

14.7 It would be for the Scheme Administrator to determine how these costs would be paid by producers and the fee rates that would apply. Government is proposing that modulated fees are introduced in 2024, which may mean some materials cross subsidising others in the first phase of packaging Extended Producer Responsibility. Government considers this reasonable, as producers of widely recycled packaging have benefitted from public sector investment, including by local authorities, in the infrastructure necessary to recycle these materials over the past two decades.

14.8 The current packaging producer responsibility system would operate in parallel with Phase 1 of packaging Extended Producer Responsibility. This would mean that in this transition year some producers would be obligated under both the new packaging Extended Producer Responsibility regulations for payments for household packaging

waste, and the existing Packaging Waste Regulations 2007, for meeting packaging waste recycling obligations.

14.9 During Phase 1 other activities would be happening such as the approval and appointment of compliance schemes, if they are a part of the final governance arrangements and packaging labelling requirements would come into force.

## **Phase 2 (From April 2024)**

14.10 Phase 2 would see the introduction of the other key elements of packaging Extended Producer Responsibility as shown in Figure 7, above. Notably, payments to local authorities for the full costs of managing household packaging waste, payments for the management of litter and payments to businesses for the cost of managing packaging waste. Modulation of the costs paid by producers would be introduced. Producers would continue to report packaging placed on the market data and the costs paid by producers would be based on data reported from 2023 onwards. Reporting of packaging data from 2023 onwards would be covered by the Extended Producer Responsibility regulations. This includes the requirement on 'sellers' to report packaging placed on the market data. More detailed timelines for the introduction of these measures are highlighted in the relevant sections of this document.

## **Data reporting Statutory Instrument**

14.11 If responses to this consultation indicate that the Scheme Administrator could be mobilised in sufficient time to enable it to make payments to local authorities in Autumn 2023, suitable packaging data would need to be available to determine costs to be paid by producers and payments to local authorities sooner than the planned Extended Producer Responsibility regulations will allow for. In this scenario, Government proposes to introduce new reporting requirements on producers obligated under Extended Producer Responsibility for the packaging they place on the UK market from January to December 2022, to be reported in 2023.

14.12 The requirements of this new data regulation would apply in addition to obligations already in place under the Producer Responsibility Obligations (Packaging Waste) Regulations 2007 ('the Packaging Waste Regulations') and equivalent legislation in Northern Ireland. In other words, as noted above, the two systems would operate in parallel in 2023.

14.13 If required, Government could provide to the Scheme Administrator modelled data on the collections of packaging waste expected to be made by local authorities in 2023. The Scheme Administrator could use this in conjunction with packaging data from producers to inform its approach to calculating the costs to be paid by obligated producers in 2023. In this first phase of Extended Producer Responsibility, we anticipate that the costs paid by producers would be based on the total tonnages of packaging placed on the market by material (excluding packaging covered by existing and planned deposit return

schemes) and would not be modulated based on the recyclability of packaging. As indicated above modulation would be introduced in Phase 2 of Extended Producer Responsibility.

The new Data Reporting regulation would set out the following:

**14.14 The class(es) of producers obligated to compile data** in 2022. This would be the producers outlined in Section 5 of this consultation document who would be obligated to pay packaging waste management costs, namely: Brand Owners and Importers, Distributors, Online Marketplaces and Service Providers above any new de minimis threshold (if adopted).

**14.15 The data which needs to be compiled and reported.** We have identified two possible approaches to collecting the data from producers to enable the sums to be paid by those producers to be determined, and to provide the basis of local authority payments in Phase 1. Option 1 would require those producers placing consumer facing products on the market to pay packaging waste management costs in 2023. This is because payments in 2023 would go to local authorities for managing household packaging waste. Under option 2 producers would be required to report on all packaging placed on the market and packaging waste management costs would be shared across all obligated producers, irrespective of the type of packaging they place on the market. In terms of data reporting Option 2 is what is proposed from 2024; although reporting would be at a much more granular level.

### **Option 1**

14.16 Obligated producers would need to report data on packaging that is most likely to end up in household waste and therefore be managed by local authorities.

- Primary packaging. This is the layer of packaging in immediate contact with the product or the first packaging layer in which the product is contained. It is used to contain, preserve and protect the product and can include important information about the product. The primary packaging can have several components, e.g. for a 'ready meal' this would include the container, the lid and the card sleeve. It includes all packaging up to the point of sale but does not include, for example, carrier bags and delivery boxes.
- Shipment packaging. Packaging that enables or facilitates the transportation of goods to private households or the final/end consumer (this would not include business to business tertiary/transit packaging). Such a category could be defined to capture the likes of carrier bags and packaging associated with online sales (whether delivered directly to home or via 'click and collect').

### **Option 2**

- Obligated producers would report *all* packaging, including transit and industrial. This is the same data as required under the Packaging Waste Regulations 2007. However, in addition producers would report quantities of packaging waste that they have 'self-

managed' (e.g. packaging waste generated on site that they manage directly or any packaging waste that is back-hauled to distribution centres for recycling). This would provide clear evidence that this packaging waste was not ultimately collected by local authorities.

14.17 Examples of the data requirements are:

*Company data:*

- Producer name
- Company number, VAT number
- Contact details
- Legal entity address – registered office
- Audit location / packaging handling location
- Company structure (holding company, subsidiaries etc.)

*Packaging Handled Data:*

- By material type, e.g. paper, glass, aluminium, steel, wood, plastic (by polymer type) and fibre-based-composites (split by cups and other) and 'other'.
- Quantity in weight by material type
- Packaging re-used/packaging repaired
- Any self-managed packaging waste, tonnages by material type

14.18 **Reporting process.** It is proposed that obligated producers would report the required packaging data for 2022 to the environmental regulator where their registered head office or main place of business is based by the end of January 2023. The data would then be made available to the Scheme Administrator in March 2023, for the purpose of calculating the total costs to be recovered from producers, the sums to be paid by individual producers and the amounts to be paid to local authorities. This reporting would happen in parallel to reporting under the current packaging producer responsibility system, which would continue to operate until the new Extended Producer Responsibility system is fully implemented in 2024.

14.19 **Compliance.** It is proposed that the UK environmental regulators would be responsible for enforcing the Data regulation. Offences under this regulation would include late reporting, not providing the information required by the regulation and information that was found to be incorrect. Failure to meet legal obligations could be subject to civil sanctions such as fixed penalty fines for minor offences, higher fines for more serious offences or an enforcement undertaking; or a fine levied by the courts.