



Department  
for Environment  
Food & Rural Affairs

Paul Vanston (paul.var

# Assessing Packaging Recyclability for Extended Producer Responsibility (EPR)

Webinar

17 August 2023



Early Years  
of Modulated  
Fees



Recyclability  
Assessment  
Methodology

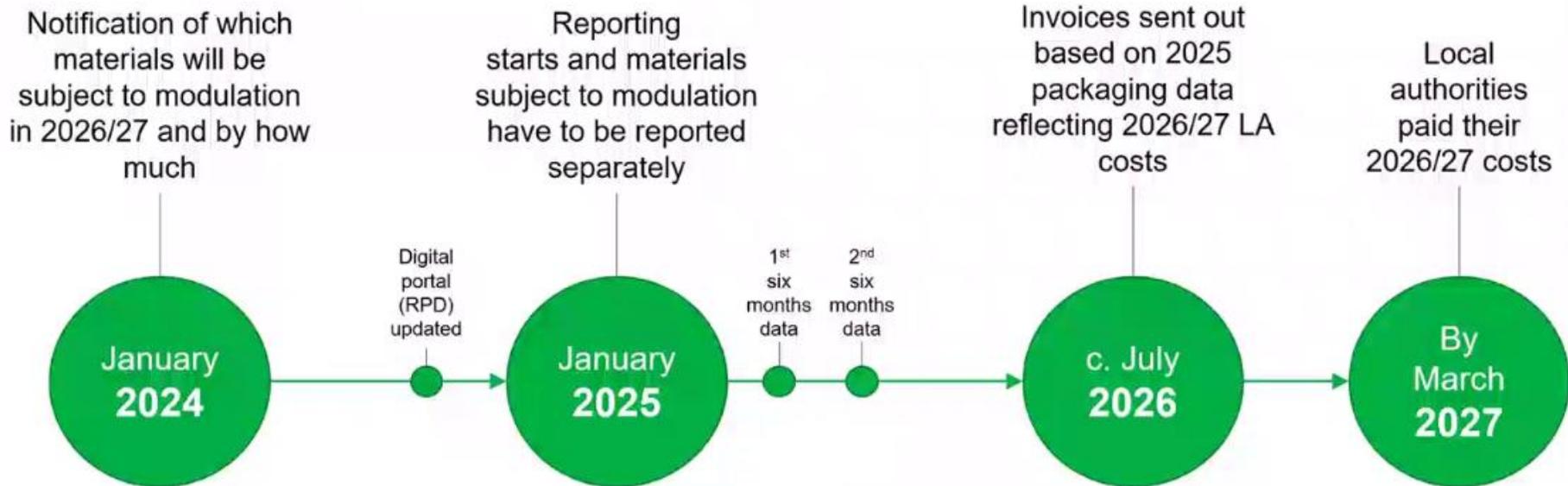


Llywodraeth Cymru  
Welsh Government

## Terminology

Fee rate	£ per tonne payable by obligated producers
Modulation	Adjustment to a fee rate to incentivise or disincentive use of particular types of packaging
Base fee	Fees for each of the eight packaging materials prior to any modulation
RAM	Recyclability Assessment Methodology
EPR	Extended Producer Responsibility
DRS	Deposit Return Scheme
OPs	Obligated Producers
RPD	Report Packaging Data – the digital portal for reporting

## By way of explanation ... EPR dates



YEAR 1 OF MODULATED FEES  
YEAR 2 OF EPR

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## Agenda

### **Assessing recyclability: Overview**

Joanna Dixon, Defra

### **Workstream 1: Fee modulation in the early years of EPR**

Martina Di Fonzo, Defra

### **Workstream 2: The Recyclability Assessment Methodology project**

Caroline Bradley, Eunomia

### **How you can get involved and influence outcomes**

Barbara Leach, Defra

### **Questions and comments**

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# Assessing Recyclability: Overview

**Joanna Dixon**

EPR Packaging Scheme Administrator Delivery Team  
Department for Environment, Food and Rural Affairs

# Extended Producer Responsibility (EPR)

Extended Producer Responsibility is one of three key projects which collectively form the Collection and Packaging Reforms (CPR) programme:

- Extended Producer Responsibility – UK wide
- Deposit Return Scheme – England and Wales (separate scheme in Scotland)
- Consistency in Recycling – England only



# Extended Producer Responsibility (EPR) incentives create a virtuous circle



## Producer fees – a phased approach

### Year 1 (2025/26)

- Reporting year January – December 2024
- Eight fees rates, reflecting the costs to Local Authorities of managing the eight packaging materials at end of life (“base fees”)
- No modulation to incentivise producers to move away from less recyclable materials

### Year 2 (2026/27)

- Modulated fees applied
- Reporting year January – December 2025
- Materials/formats to be modulated announced in winter 2023/24
- More than eight fee rates (exact number to be determined) reflecting higher fees for less recyclable materials
- Participatory design of the material list and the fee differentials

## Assessing recyclability for labelling packaging

We are reviewing the timetable for introducing labelling requirements

Regardless, anyone who places packaging on the UK market will need to label it 'Recycle' or 'Do Not Recycle'

We need a method that can be applied consistently to ensure a level playing field

We are working with Eunomia to develop a Recycling Assessment Methodology

We refer to this as the 'RAM'



**Recycle**



**Do Not Recycle**



## The Recyclability Assessment Methodology (RAM) Project

All producers will have to label their packaging 'Recycle' or 'Do Not Recycle'

It is not straightforward to assess packaging recyclability

The **RAM project** will provide a methodology which producers can use to make the assessment

In time, we expect RAM assessment results to be used for fee modulation



## The Modulated Fees (Early Years) Project

The focus is on the early years of modulation – from 2026/27 onwards

We want to give producers advance notification of materials to be modulated – in winter 2023/24 for 2026/27

**The RAM won't be available for us to make these decisions**

The **modulated fees project** bridges the gap between modulation coming in and the RAM being used

**Project teams are working closely to ensure alignment**

## Signposting icons for this presentation

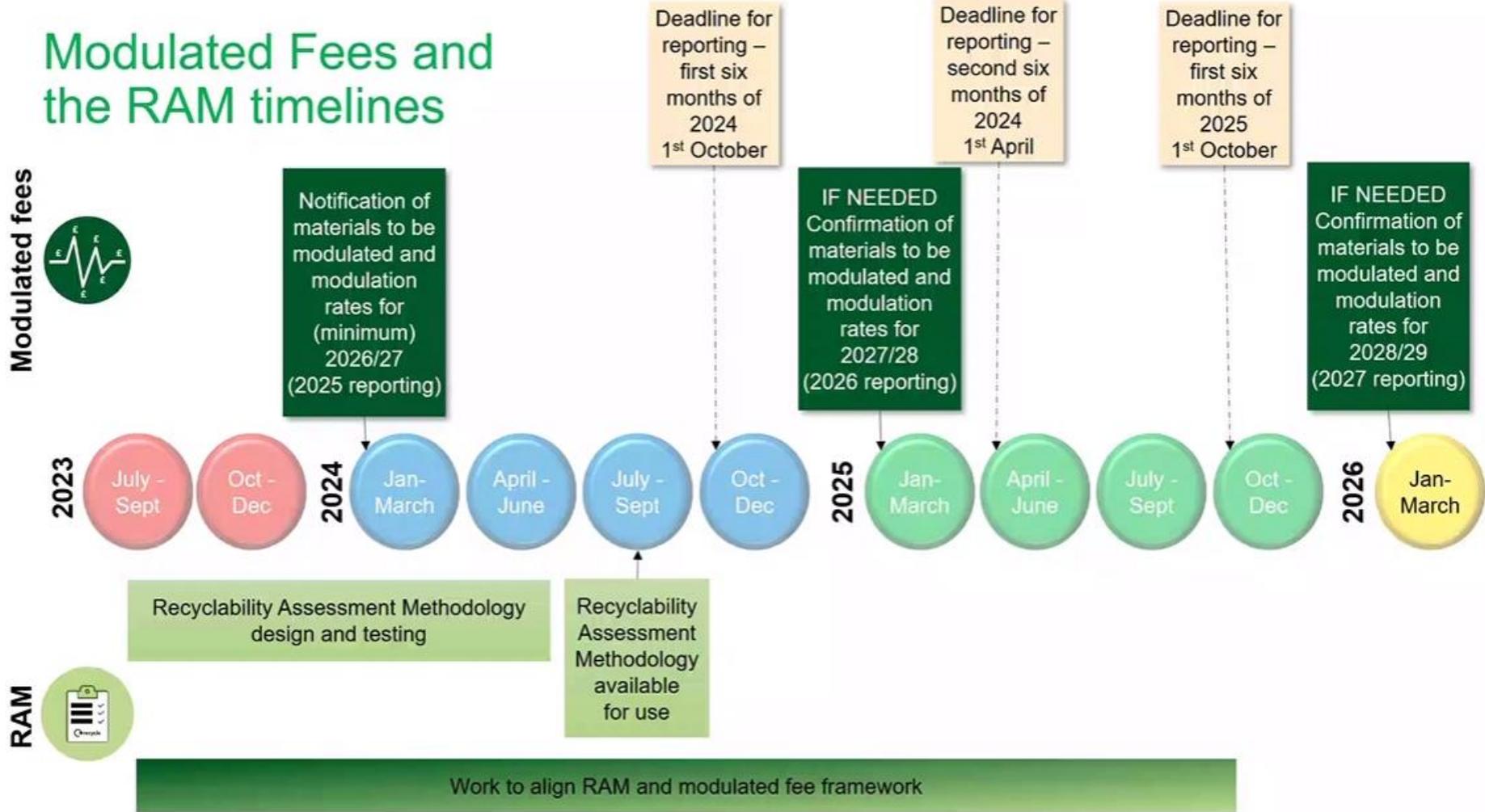
When we are talking about the RAM, we use this icon



When we are talking about modulated fees, we use this icon



# Modulated Fees and the RAM timelines



## Opportunities to engage



### **Modulated Fees for the Early Years of EPR**

A programme of engagement between September and November 2023 to broaden and intensify the pace of participatory design, including

- Workshops
- Webinars with discussion breakouts
- A roundtable
- One to one interviews
- Survey



### **Recyclability Assessment Methodology (RAM) development**

You can volunteer to be selected for one to one interviews about your experience of using alternative assessment methodologies, issues around the scope and the proposed definition of recyclability. As the development of the tool develops you could be selected to undertake initial user testing.

## Workstream 1: Modulated Fees

**Dr Martina Di Fonzo**

Analytical Lead: Modulated Fees

Department for Environment, Food and Rural Affairs





## Base fees

For 2023 and 2024, producers will report packaging under eight broad material groups:

- Paper & card, fibre-based composites, plastic, aluminium, steel, glass, wood and 'other'

2023 reporting will be used to generate illustrative fee rates for 2025/26

Fees for the 2025/26 assessment year are based on 2024 reporting

Any differences across materials simply reflect different LA disposal costs

We refer to them as 'base fees' because they are unmodulated

Fee formula (plastic example)

$$\text{Plastic base fee} = \frac{\text{Total LA cost for plastic}}{\text{Total plastic tonnage POM}}$$

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## Modulated Fees Principles



- From 2026/27 (year 2 of EPR) fees will be adjusted (modulated)
- For 2026/27 and for some years thereafter, modulation will reflect recyclability, ensuring against any unintended outcomes.
- Modulation will be extended to include wider environmental criteria in the future.
- Fee rates for more recyclable packaging will be lower than less/non-recyclable packaging of the same material type
- This is to incentivise producers to use packaging that attracts a smaller fee and is easier to recycle
- The full set of modulated fees will be set to cover overall disposal fee costs – some packaging will receive an increase above the base fee, others will be charged a lower fee.
- The scale of the modulation will initially be set by the four nations, and later by the Scheme Administrator.

## Illustrative Modulated Fee Formula



$$\text{Modulated fee} = \text{Material base fee} \times \text{Modulation factor}$$

Base fee for the broader material category

Factor used to modulate.  
>1 means increasing above the base fee.  
<1 means reducing below the base fee.

- The full set of modulated fees will be set to cover overall disposal fee costs – some packaging will receive an increased fee, others will receive a decreased fee.
- E.g. We may choose to assign PVC a modulation factor of 1.2. This would mean that PVC packaging attracts a 20% higher fee than the plastic base fee. Other, more recyclable plastic packaging would receive a reduced fee.

## Alignment and engagement



Ultimately, our aim is to use the RAM to modulate fees

Meantime, an interim approach will be developed with stakeholder participation

We will design an approach that creates a foundation for the RAM:

- we'll use the same underlying criteria as the RAM
- we'll work closely with the RAM team as thinking develops

Participatory design work has started and will continue over autumn and winter to collaboratively:

- create a foundation for the RAM
- create a direction of travel for fee modulation
- design an approach to modulation, including the scale of modulation and frequency of changes to modulation
- decide the materials to be modulated upwards and downwards in the early years
- determine the approach we'll take to the packaging reporting list

## Current work informing our thinking



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## Participatory Design Questions



- How can we design a scheme that incentivises producers to switch to more recyclable materials?
- What can we learn from other schemes?
- Which materials should be incentivised and disincentivised?
- How extensive should the packaging reporting list be in order to accommodate modulation now and in the future?
- How do we design formulae for modulated fees that will deliver the systemic changes new are looking for?
- What should our direction of travel be – speed and scope? Can we create a modulated fees roadmap?



## **Workstream 2: The Recyclability Assessment Methodology Project**

**Caroline Bradley**

Senior Project Manager  
Eunomia

**Chris Sherrington**

Head of Environmental Policy and Economics  
Eunomia

# Project objectives



Deliver a packaging **Recyclability Assessment Methodology (RAM)** for obligated producers to assess their packaging in order to:

- Determine whether it should be **labelled** as 'Recycle' or 'Do Not Recycle'; and
- In time, for the RAM results to also be used for **EPR fee modulation**.

# Crossover with other workstreams



NOTE: The RAM tool project is not responsible for development of the below policy areas. However, results from work in these areas will input into the tool development where relevant.



FRAMEWORK FOR EPR FEE  
MODULATION



EPR REPORTING  
REQUIREMENTS AND  
SCHEME ADMINISTRATOR



RELATED CERTIFICATION  
REQUIREMENTS



COLLECTIONS  
CONSISTENCY  
(IN ENGLAND)

# Minimum recyclability criteria



If the packaging material is 'technically' capable of being recycled.

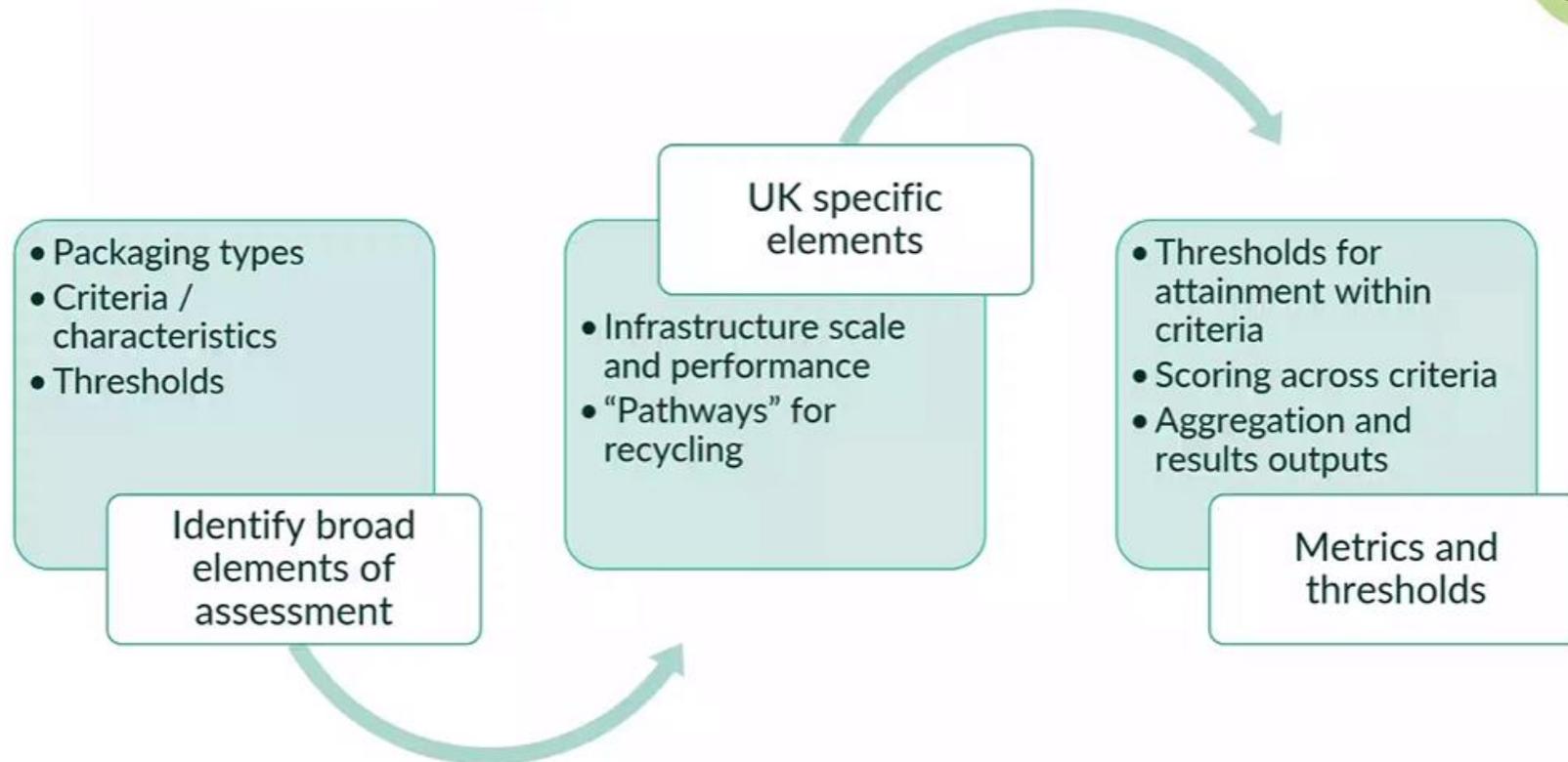


If the collection and sorting infrastructure is in place to enable the packaging to be recycled.

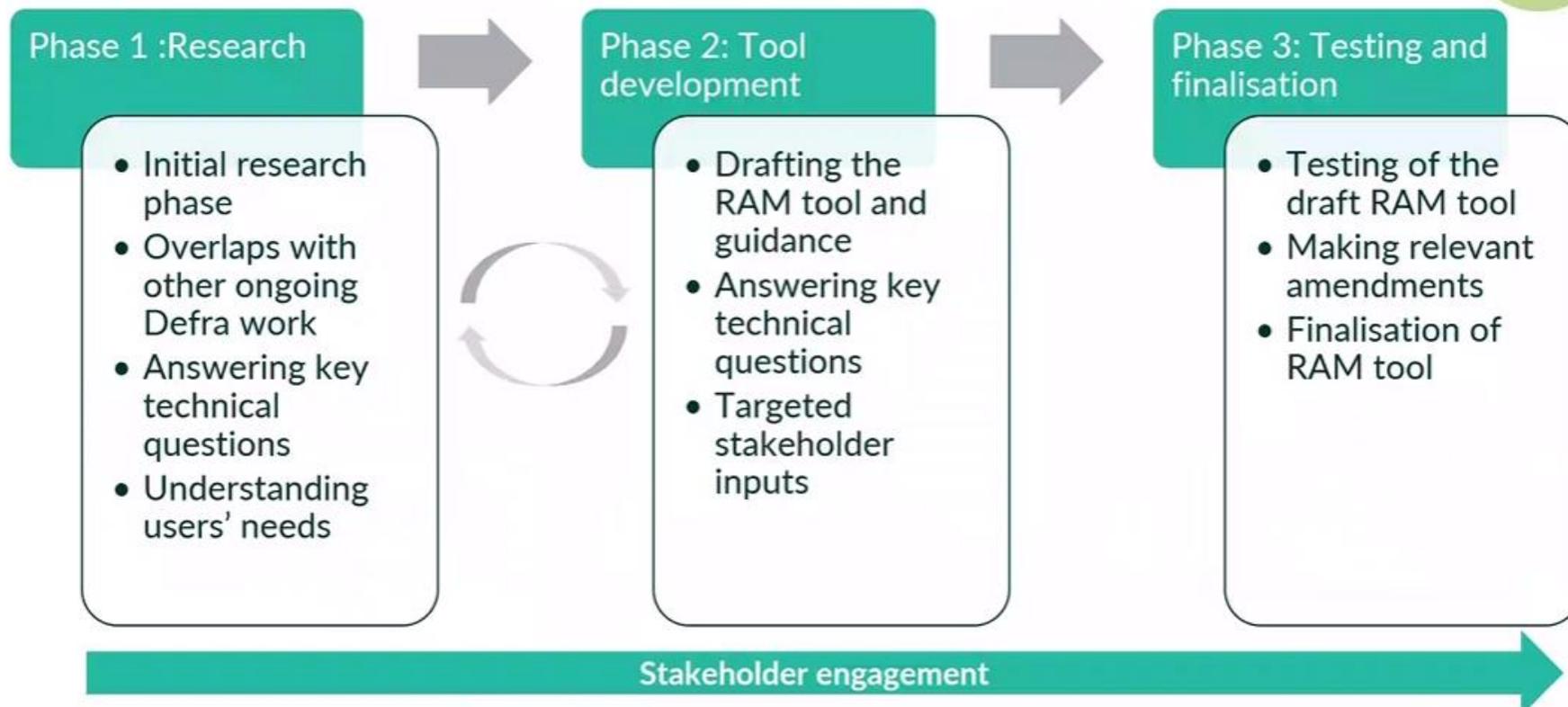


That the material once recovered and recycled can be used to produce new products (i.e., that it is technically recyclable and can be recycled in practice).

# Key research questions



# Project phases



# Project timeline

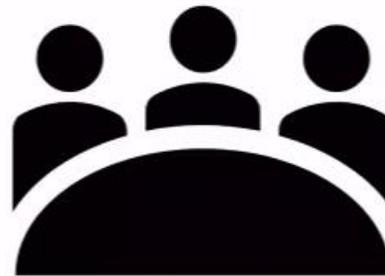


# Project governance



**Steering Group signs off on all main decisions in relation to the tool parameters.**

**Steering Group contains representatives from Defra and all Devolved Administrations.**



## How you can influence

**Barbara Leach**

Fees and Payments Calculator Readiness Lead  
Department for Environment, Food and Rural Affairs



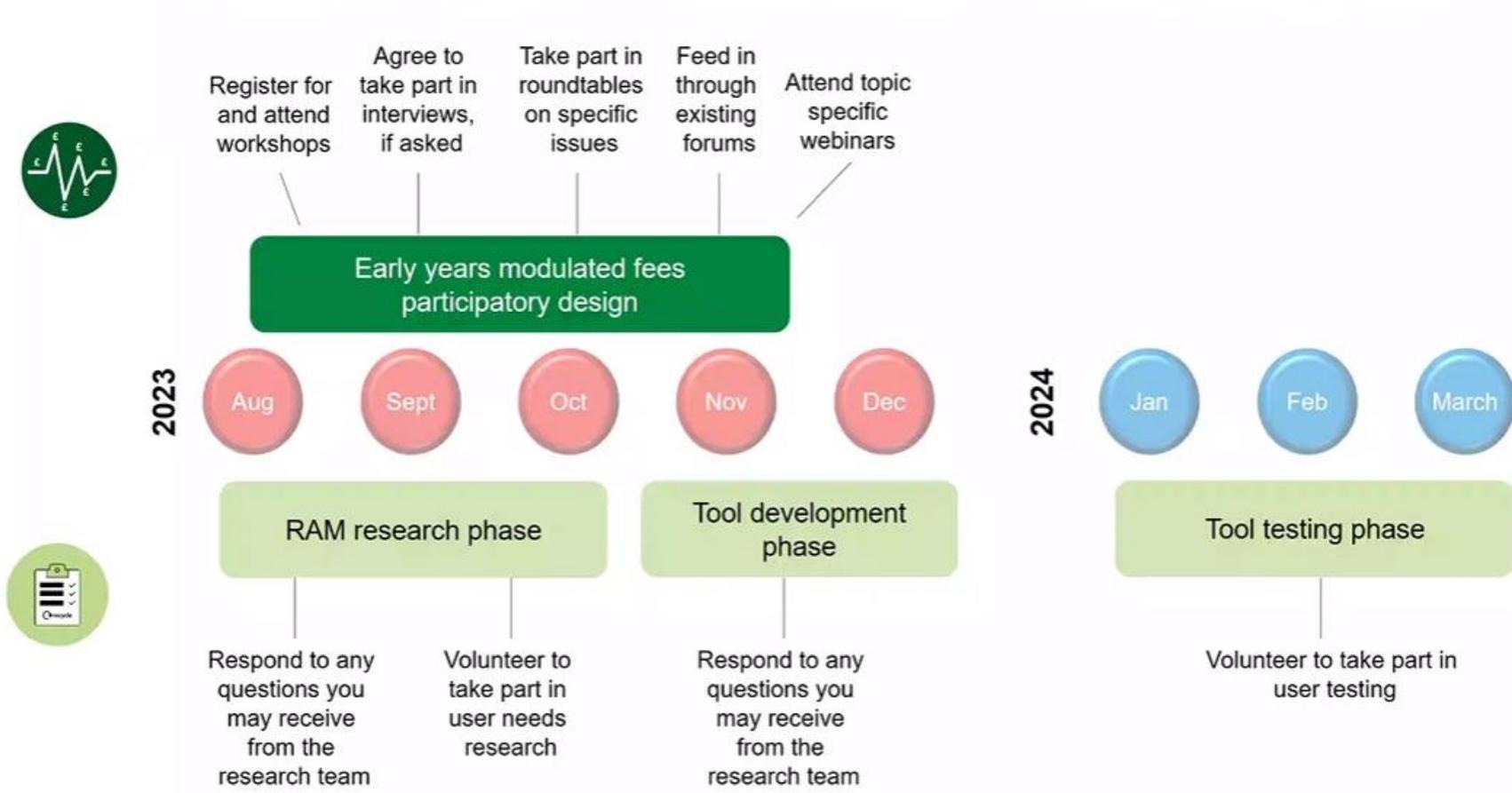
# Opportunities for participatory design on modulated fees



All subject to confirmation

Drivers of producer choices	Vision for fee modulation	Practical aspects of fee modulation – participatory design				'Difficult' materials	Proposals
		1	2	3	4		
Webinar presentation on Kantar's research with breakouts for discussion	Workshop with breakouts to flesh out visions across the whole supply chain	Workshop with parallel sessions and breakouts for producers and trade associations	Workshop with parallel sessions for waste & recycling industry & LA waste officers	Workshop with parallel sessions and breakouts for other stakeholders	One to one interviews with material organisations	Online roundtable + surgery for producers with non-substitutable packaging	Online survey for the whole value chain to feedback on proposals
Online	Likely central London	Likely central London	Likely Birmingham	Likely central London	Teams meetings	Online	Online
Open to all Registration	Max 200 Registration	Max 200 Registration	Birmingham Registration	Max 100 Registration	By invitation	By application	Open to all
w/c 15 September	w/c 25 September or w/c 2 October	w/c 25 September or w/c 2 October	w/c 9 October	w/c 25 September or w/c 2 October	September	w/c 15 October	Mid November – early December

# Summary of engagement and participatory design opportunities



## How to get involved

You can nominate yourself or others within your organisation

You can select as many or as few relevant opportunities as you like

You can nominate up to three individuals from your organisation using our expression of interest form



### Expression of interest

Please enter the details of your first nominee and select the opportunities they are interested in

Name   
Email address

This first person is interested in:

- Participating in the Recyclability Assessment Methodology project
- Attending the webinar and online discussion about the drivers of producer choices
- Attending the workshop to create short, medium and longer term visions for modulated fees
- Attending the modulated fees participatory design workshop for producers and their trade associations
- Attending the modulated fees participatory design workshop for waste/recycling industry and LA waste managers
- Attending the modulated fees participatory design workshop for other stakeholders e.g. academics, voluntary groups
- Attending the roundtable session for producers with non-substitutable packaging
- Taking part in the feedback survey on our proposals for modulated fees in the early years of EPR

**Questions, comments, feedback**

