

27 June 2025

Dear colleagues,

Update on Extended Producer Responsibility for Packaging reforms

Today, PackUK has published the confirmed 2025 materials base fees for Extended Producer Responsibility for packaging (pEPR), alongside the fee modulation statement and the interim PACKUK Strategy. These are major steps forward and we would like to thank you and your colleagues for your help in the development of these materials.

Beyond these important documents, we would like to update you on key policy developments in the design and delivery of pEPR that run in parallel and invite your close collaboration in their development. Ministers across the UK are committed to listening to your feedback and continuously improving pEPR. This includes both maximising producer leadership and supporting local authority performance.

Dual-use Packaging – Household Definition

Following Minister Creagh's industry roundtable on 10 June and a subsequent workshop on 23 June on issues pertaining to dual use packaging, we continue to work closely with industry to tackle concerns around some dual-use packaging being subject to pEPR obligations.

pEPR transfers the cost of managing household packaging waste from local authorities to the producers that supply that packaging. However, some packaging which can be discarded by both consumers and businesses ('dual-use packaging') is currently captured by the household packaging definition. This packaging can be difficult to track or evidence where it will be discarded when first supplied by a producer.

Industry representatives have proposed several solutions to address the challenge that the current definition of household waste presents. A series of further sector-specific workshops are planned over the coming weeks, and we will work as four nations to urgently and carefully evaluate these proposals with a view to identifying option(s) which address the issues, whilst maintaining the objectives of the scheme.

Packaging Reuse

Reuse has huge potential to deliver positive economic, environmental and societal change. Important research published by GoUnPackaged this week, highlights that moving to 30% reuse in grocery retail would lead to a significant reduction in CO₂ and material waste, alongside £136m savings per year in pEPR fees, and a £314m - £577m overall. It offers a commercially viable and environmentally sustainable way forward.

Efforts to promote reuse are gaining significant momentum and as four nations we are committed to reuse as a core part of the transition to a circular economy. This includes ensuring that pEPR will help drive the transition to reusable packaging - with pEPR fees only being paid once for reusable items regardless of how many times they are reused - alongside other action being taken by each government.

Producer Responsibility Organisation

We are progressing the appointment of the Producer Responsibility Organisation (PRO). It will play an important leadership role in pEPR delivery, in line with international best practice. Having successfully undertaken an Expression of Interest window which closed on 10 June, engagement activities will take place with potential candidates over the summer to discuss the scope of PRO delegated functions. The formal application process will be launched in October 2025, with planned appointment of the PRO by PackUK by March 2026, once the amending regulations come into force.

Recyclability Assessments

In response to industry feedback regarding the time and resource required to meet their 2025 recyclability assessment obligations, the four nation environmental regulators have approved Regulatory Position Statements (in Wales, a Regulatory Decision) providing additional flexibility for producers during this transition.

This aims to ease the burden for liable producers while maintaining the commitment to introduce modulated pEPR fees from the 2026–2027 assessment year.

While producers must still report tonnages for the first half of 2025 including flexible and rigid plastics separately, their recyclability assessment obligations for this period can be extrapolated from second-half data.

Levelling the Playing Field for Domestic Re-processors

We have heard concerns from both the UK plastics and glass sectors about the unintended consequences of the current PRN/PERN and waste export systems, compromising our domestic capacity. We are working at pace to resolve these issues. Specifically, we are working with the regulators to bring forward plans to significantly improve compliance on material exports under 'Green List' waste processes. Furthermore, we have already legislated for enhancements to the exporter accreditation process to strengthen evidence requirements for issuing PERNs. These reforms come into effect on 1 January 2026. We will work with the regulators to bring forward rigorous compliance plans for these new measures. Beyond this, we are working across the four nations to develop further reforms to level the playing field between domestic PRNs and export PERNs, as part of a consultation we will issue later this year.

Local Authority Efficiency and Effectiveness

We have heard concerns from producers and local authorities about the need to ensure the investment that pEPR will drive improvements in the efficiency and effectiveness of services in managing packaging waste. We share this interest in ensuring pEPR delivers improved outcomes and value for money for both producers and citizens, as do local authorities. We are therefore working as four nations with PackUK to strengthen and improve the approach, which includes the changes being brought forward within the amending SI.

In relation to the use of the EPR payments, we have been clear across the four nations that the EPR payments are being introduced in order to meet the costs associated with the efficient and effective management of packaging waste by local authorities, recognising the specific legal purposes for which these payments are being introduced. We recognise it is important that producers have confidence that the investment made via pEPR will be focused on delivering the outcomes intended. When local authority payment allocations are confirmed in July, PackUK will write directly to local authority chief executives establishing clear accountability measures.

In addition, in England, the Secretary of State for Environment, Food and Rural Affairs has instructed PackUK to exercise its existing powers within the pEPR regulations to ensure local authorities in England only receive pEPR funds that are spent on household packaging waste management and recycling. When local authority payment allocations are confirmed in July, PackUK will write directly to all English local authority chief executives setting this out.

Although considered unlikely, if an English local authority does not spend the funds as specified, PackUK will then use its existing regulatory powers to deduct funds accordingly for the following year's payment. We are confident that the overwhelming majority of local authorities are committed to these reforms and see pEPR as an opportunity to improve the

services offered to citizens and support a circular economy for packaging. However, we also recognise that it is important to give producers confidence that the investment made for pEPR is delivering the value intended and these steps are intended to provide this important assurance.

I welcome your continued engagement and support as we implement these important reforms to create a more sustainable and circular economy.

Yours sincerely,



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