

Year 1 Extended Producer Responsibility for packaging fees update

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An important update regarding the Year 1 Extended Producer Responsibility for packaging (pEPR) fees.

PackUK can confirm that there will be no change to disposal fees for Year 1 of the Extended Producer Responsibility for packaging (pEPR), which will remain as outlined in producers' Notices of Liability in October 2025.

As more accurate packaging data has been resubmitted by producers, PackUK identified a shortfall in the funding originally calculated for Year 1, primarily due to a reduction in tonnages reported. This situation is provided for under Regulations, and under normal circumstances, this would have required a recalculation of producer per tonnage fees. However, we recognise that packaging EPR is a significant change in how packaging is managed, and there has been a high number of resubmissions in the first year as businesses familiarise themselves with new requirements.

To address this shortfall and ensure local authorities receive the critical funding they were promised, the UK government has agreed to close the funding gap. This is a one-time intervention by the UK government to help mitigate increasing costs for producers and maintain stability during the first year of the scheme.

Local Authorities across the UK will receive the payments they are expecting to invest in improved waste management and recycling services.

Why did the shortfall occur?

Year 1 is a transition period for a complex new scheme of this scale. As reporting has progressed, the packaging data underpinning fee calculations has been refined, resulting in producers submitting a lower total tonnage than previously reported.

Under the regulations, producer fees are calculated by dividing the total cost of efficient household waste management by the total tonnage of packaging placed on the market. Consequently, a reduction in reported tonnage contributed to a shortfall. To ensure local authorities receive the full level of funding committed under packaging EPR, the UK government will cover this shortfall in Year 1 on an exceptional basis.

How are we improving the scheme?

As familiarity with the scheme grows, the scale of data corrections is expected to reduce significantly in future years. Furthermore, PackUK is taking steps to improve data stability and prevent late adjustments in future years. This includes bringing forward the deadline for producer data submissions and using updated Year 1 data to improve guidance and calculations, so businesses can plan with greater confidence.

The importance of the pEPR scheme

The scheme will secure £1.4 billion in the 2025/26 Financial Year for local authorities across the UK

to improve packaging waste collection and recycling services and incentivise businesses to reduce their material footprint.

In July 2025, PackUK issued Notices of Assessment to local authorities confirming the payments they would receive. Many have already committed this funding to maintain collection services, upgrade sorting facilities, and invest in new recycling infrastructure. For example, pEPR payments are half funding a £12m investment by Suffolk County Council and Biffa to enhance the Masons MRF site in Ipswich.

pEPR is an internationally recognised model for driving transformation in recycling, with Producer Responsibility schemes established across more than 30 countries.

<https://www.gov.uk/government/news/year-1-extended-producer-responsibility-for-packaging-fees-up-date>