

Email Alert - £1.1bn Extended Producer Responsibility for Packaging – allocations and methodology

- 1.1 On 26 July, the Department for Environment, Food & Rural Affairs (DEFRA) and the Ministry of Housing, Communities & Local Government (MHCLG) [re-announced](#) the £1.1bn anticipated Extended Producer Responsibility for Packaging (EPR) funding, which was previously announced towards the end of 2024 (our briefing [here](#)). Alongside the re-announcement, [updated estimates](#) for 2025/26 have been published, and authorities have been notified of these by letter.
- 1.2 Shortly after the 2024 announcements, authorities received details individually, by letter, of their anticipated amounts. These were later published in response to a [Freedom of Information request](#). These amounts are guaranteed, and therefore if there is a shortfall, authorities will receive a s31 grant to bring their funding back up to the level confirmed in December. This guarantee was announced as a one-off, and therefore it is not anticipated to apply in future years.
- 1.3 The attached analysis shows the amounts for your authority. In England, the average allocation has increased from £3.3m to £3.7m, though 93 authorities’ allocations are unchanged. The allocations published do not appear to show any England authorities’ allocations decreasing. It is unclear if this means that the amounts have been adjusted to reflect the guaranteed amount of funding, or whether there has been an increase in England overall which results in no authority being worse off. However, it seems more likely that the former applies.

- 1.4 The table shows a summary of the changes, across the UK:

	2024	2025	Difference
Northern Ireland	38,949,000	50,893,272	11,944,272
Wales	94,765,000	88,688,992	- 6,076,008
Scotland	170,886,000	154,656,657	- 16,229,343
England	1,053,042,000	1,178,593,485	125,551,485
UK total	1,357,642,000	1,472,832,407	115,190,407

- 1.5 It should be noted that increases are reliant on PackUK being able to collect the money from producers, so there is still risk associated. Were any authorities showing a lower amount (which may apply to some or all of the authorities showing no change, if the figures include the guarantee), a s31 grant would be expected to bring it back to the 2024 announcement level. The s31 payments are planned to be made in March 2026.
- 1.6 Alongside the re-announcement, authorities have also been provided with [details](#) from PackUK, the scheme administrator, of how payments have been calculated. These are meant to represent funding for an “efficient waste management service” and “efficient waste disposal costs”. DEFRA has developed a complex model to assess these costs, across the four UK nations.

- 1.7 The model accounts over two streams (residual waste and dry recyclate) considering kerbside collections (separate and comingled) and household waste recycling centres or bring sites, considering packaging of the types set out in the regulations: glass, aluminium, steel, paper and card, plastic, wood, fibre-based composite, and other materials (but not business waste, street bin waste, or litter). The model includes provision for a transfer station and/or tipping away payments (if waste needs to be transported far outside the authority boundary).
- 1.8 It also excludes drinks containers made from steel, polyethylene terephthalate (PET) and aluminium – which are excluded from the scheme until 2028 (at which point they will be included if a deposit return scheme is not in place). The model considers: frequency and pattern of household collections, population density, deprivation, type and accessibility of dwellings, and relevant policies/regulations for the area. The publication includes details of the model and a worked example calculation.