



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Executive 19 November 2025

Wards affected: All

Extended Producer Responsibility Funding 2025/26

Report of Director Corporate and Street Scene Services

1. Purpose of report

- 1.1 To update Executive on the packaging Extended Producer Responsibility funding (pEPR) from Defra 2025.

2. Recommendation

- 2.1 Executive notes the funding for 2025 and the potential reduction in funding in future should HBBC be deemed to fail to meet the efficient and effective criteria.
- 2.2 Executive notes current assessment of low – medium risk of future reductions in funding in 3.11 and 3.12.
- 2.3 Executive endorses the recommendations in 3.12
- i. HBBC appears to currently have low - medium risk of reduced pEPR payments based on efficient and effective assessment.
 - ii. Consideration should be given to reducing the size of replacement bins and a sticker on residual bins. Funding for this sticker is provided within the government's transitional food waste allocation to HBBC. It is recommended both of these changes be discussed with the Leader / Executive briefing and these changes built into the waste collection policy which is currently being updated to reflect the new food waste collection.
 - iii. During 2026, further consideration should be given to a separate paper and card collection. This should include dialogue with both Leicestershire County Council and the wider Leicestershire Waste Partnership as this change will affect all Councils, and due consideration should be given to LGR impacts.

iv. It is recommended this review is repeated annually or as clarity emerges from the scheme administrator

3. Background to the report

- 3.1 pEPR is part of the new waste regulatory framework and obligates all producers of packaging waste to pay into a fund which is then redistributed to local authorities to cover the cost of collecting and disposing of this packaging. Fees for producers are modulated, and costs for LA's are modelled based dry recycling and residual waste groupings.
- 3.2 Defra advised initially in November 2024 the payment would be £1,063,000 and this amount is guaranteed. An updated payment estimate was released in July 2025 of £1,400,266 but this figure is not guaranteed. NB updates are being provided as clarity emerges on the total amount of payments to scheme will receive from producers.
- 3.3 Using the updated figure payments to HBBC are expected
- | | |
|---------------|-------------|
| November 2025 | £700,133.22 |
| January 2026 | £350,066.61 |
| March 2026 | £350,066.61 |
- 3.4 Going forward LA waste collections will be assessed to determine their efficiency and effectiveness, and the scheme administrator may withhold up to 20% of the payment and require an improvement plan to be written and implemented. For HBBC this could be a potential reduction of £280,000 per year. While no exact percentage of failing LA's has been published yet, this 20% threshold indicates the potential scale of non-compliance or underperformance that the Scheme Administrator may act upon. To ensure that HBBC continue to receive the maximum payment we need to ensure we compare well with the Defra groups. Whilst the evaluation is not yet confirmed it will include measure such as:

Efficient

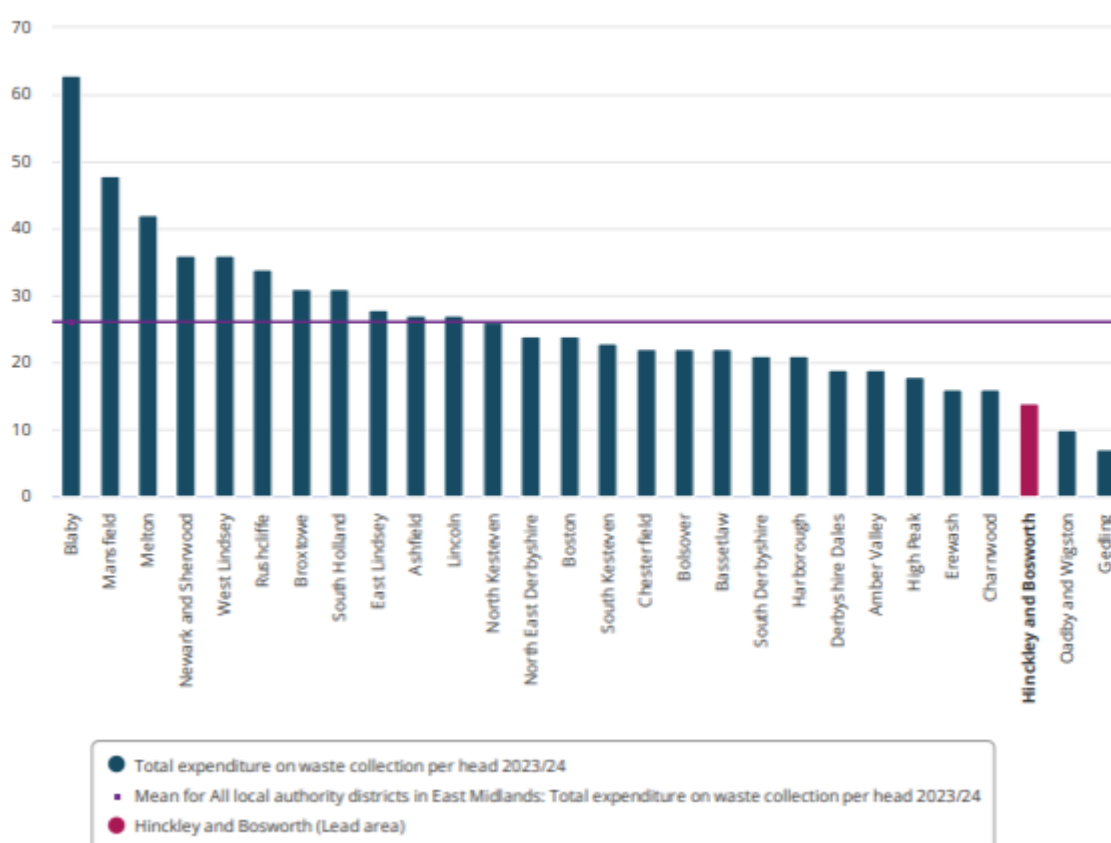
- i. costs are as low as reasonably possible, while still supporting the scheme's environmental outcomes.
- ii. The Scheme Administrator (PackUK) will consider:
 - a. Local authority-specific factors (e.g. geography, housing type).
 - b. National policy requirements.
 - c. Material quality from kerbside collections.
 - d. Broader waste stream performance, not just packaging

Effective

- iii. Recycling rates.
- iv. Quality and quantity of packaging materials recycled.
- v. Contribution to circular economy goals

- 3.5 An assessment of HBBC's current performance against this criteria has been completed. 2023/24 data used as this is the latest available nationally.
- 3.6 Cost: Whilst not an assessment against HBBC's groups latest data from LGInform shows HBBC's costs to be third lowest in the East Midlands and therefore HBBC can be confident they are low cost.

Total expenditure on waste collection per head (2023/24) for All local authority districts in East Midlands



- 3.7: National policy requirements. The new simpler recycling policy now requires a separate collection of paper and card which HBBC has determined not to implement at this stage, instead completing a TEEP assessment (technically, economically and environmental practicability) to continue with current comingled dry recycling collections. A recent trade publication indicated 60% of LA's are intending to implement this separate collection so HBBC will need to be monitored this decision against quality and quantity factors.
- 3.8: Quantity dry recycling (group D4)
HBBC Percentage of dry recycling sent for recycling for is 20.97% which is 19th of the 42 LAs in this group.
- 3.9: Quantity of residual waste (group R7)
HBBC is 384.1 kg per household which is 46th of 60 LAs in this group. Food waste collections should reduce this number but this will be the same for many other LAs in this group. Potential mitigations of the risk are reduce the

size of the residual waste bin or change to 3 weekly collections, or achieve high take up of food waste collection service.

3.10 Quality of dry recycling

HBBC currently has the lowest contamination rates in Leicestershire but separating paper and card will be the best mechanism to increase quality of recyclate as separating glass from paper and card significantly increases paper and card quality.

3.11 Risk of reduced payments in future and potential mitigation are summarised below: Anything 80-100th percentile would be high risk.

	Risk	Potential mitigations
Cost	Low (3/28) 11 th percentile	
National policy	Medium potentially 60-100 th percentile	Monitor other LAs switch to separate paper and card collections and evaluate costs v's potential EPR payment reductions.
Quantity dry recycling	Low (19/42) 45 th percentile	Comms campaigns and sticker on residual bin (see below)
Quantity of residual waste	High (49/60) 82 nd percentile	i. Change to 3 weekly collections, swap all bins for 140l (rejected by Leader) or ii. reduce capacity for replacement bins which will take a long time to have effect but starting ASAP recommended iii. As part of food waste roll out sticker residual bins advising "no food waste, no dry recycling, no garden waste and no WEEE" which should increase recycling and reduce residual waste
Quality of dry recycling	Low - medium	This risk will increase as other councils introduce separate paper and card collections. Monitor and evaluate costs vs potential pEPR reductions. Officers assessment based on Leicestershire data.

3.12 Conclusion and Recommendation:

- i. HBBC appears to currently have low - medium risk of reduced pEPR payments based on efficient and effective assessment.
- ii. Consideration should be given to reducing the size of replacement bins and a sticker on residual bins. Funding for this sticker is provided within the

governments transitional food waste allocation to HBBC. It is recommended both of these changes be discussed with the Leader / Executive briefing and these changes built into the waste collection policy which is currently being updated to reflect the new food waste collection.

iii. During 2026, further consideration should be given to a separate paper and card collection. This should include dialogue with both Leicestershire County Council and the wider Leicestershire Waste Partnership as this change will affect all Councils, and due consideration should be given to LGR impacts.

iv. It is recommended this review is repeated annually or as clarity emerges from the scheme administrator

4. Exemptions in accordance with the Access to Information procedure rules

4.1 Open session

5. Financial implications [IB]

5.1 The income for the current and future years has been allowed for in the MTFS. If additional income is received this year this will be used to offset any potential reductions in EPR income.

6. Legal implications [ST]

6.1 None

7. Corporate Plan implications

7.1 The Corporate Plan 2024-2028 includes a commitment to “increase recycling, including the introduction of a new weekly food waste collection with government funding”.

7.2 The EPR funding will contribute towards the Councils general fund.

8. Consultation

8.1 None at this stage.

8.2 HBBC are partners in the Leicestershire Waste Partnership and the 2022-2050 Leicestershire Resources and Waste strategy was consulted on extensively during its development with residents and adopted by HBBC. Pledge 10 is “the partnership will put in place collection systems to contribute towards achieving national recycling rate of 65% by 2035, this may include restricting residual waste capacity to encourage greater materials separation, carbon savings and resource recovery”. Reducing residual waste capacity has therefore already been adopted as a principle by HBBC and consulted on with residents.

9. Risk implications

- 9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) risks

Risk description	Mitigating actions	Owner
Reduced waste collection performance resulting in HBBC falling into lowest 20% of LA's	Monitor annually, assess risk, and advise mitigations to SLT / Executive as necessary	Caroline Roffey
Loss of revenue impacting on general fund	Ensure cost benefit analysis as part of annual review	Ashley Wilson / Caroline Roffey
Reduced recycling / increased residual waste produced by residents	Introduce limited measures to reduce residual waste and increase dry recycling capture through updated waste collection policy as part of food waste roll out.	Caroline Roffey / Executive

10. Knowing your community – equality and rural implications

- 10.1 Waste collections are delivered as standard universally across the Borough. Where necessary variations are made for
- i. properties with access and wheeled bin storage difficulties (bags or exemptions where residents cannot for example have a garden waste collection as collection is impossible)
 - ii. Where residents are unable to present and return wheeled bins themselves (assisted collections)

11. Climate implications

- 11.1 Restricting residual waste and increasing recycling collections will reduce the carbon emissions from waste collections which supports the Councils declared climate emergency. Wrap modelling for HBBC in 2023 identified baseline carbon emissions of 1590 tonnes with current collection system. 3 weekly residual collections (or 140l residual bins) and food waste collections would give carbon emissions to -591 tonnes. NB figure is negative because of the renewable energy created from food waste treatment.).

12. Corporate implications

12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers:

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