

## Consultation on Proposals for Reform to the Packaging Waste Recycling Note (PRN) System

[CTPA](#), the Cosmetic, Toiletry and Perfumery Association, is the Trade Association representing the UK's cosmetics and personal care industry. [Membership](#) covers an estimated 85% of the UK cosmetics and personal care market by value, which in 2024 was £10.3bn, and comprises small, medium, large and multi-national companies supplying the UK market. Companies include manufacturers, distributors, ingredient suppliers, and retailers.

CTPA supports the goals of packaging Extended Producer Responsibility (pEPR), as well as the Polluter Pays Principle upon which the EPR framework is based. However, CTPA members incur significant costs through household waste disposal fees, and these are expected to rise further with the introduction of modulated fees. This increase, driven in part by the prevalence of small-format cosmetic products, is occurring in the context of significant and sustained pressures across the global supply chain.

In a [2021 pEPR consultation](#), the four Governments had initially indicated their collective intention to phase out the Packaging Waste Recycling Note (PRN) system following the implementation of pEPR. However, the current consultation on proposals to reform the PRN system does not consider this original intention.

The main Statutory Instrument for pEPR, The Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024, prescribes the formula for calculating household waste disposal fees. Under [Regulation 62](#), household packaging waste disposal fees are calculated as a function of the **sum of the chargeable disposal costs** of all relevant authorities for the assessment year (denoted as 'D' in the equation). In addition, [Regulation 69](#) clearly states that the disposal costs incurred by a relevant authority in relation to the management of household waste, **includes the costs of recovery operations including recycling**. These provisions demonstrate that, in respect of household packaging, producers are contributing financially to the costs of **collection and recycling** through pEPR fees. At the same time, they remain subject to obligations to purchase PRNs covering both household and commercial packaging waste. This results in a duplication of financial responsibility, whereby producers are effectively paying twice for the recycling of household packaging they place on the market.

Considering the substantial financial burden already imposed through pEPR fees, the additional requirement for producers to purchase PRNs represents a compounding cost. This is particularly challenging given the issues associated with the PRN system, including market price volatility, a lack of transparency, and difficulties in long-term cost forecasting, and raises the risk of inflationary effects across all packaged consumer goods. In light of this, CTPA urges the Government to undertake a full, 12-week consultation on the appropriateness and effectiveness of the PRN system, with a specific focus on its role in managing household packaging waste. There is a clear need to assess whether the current system results in unnecessary duplication of costs for materials already captured under pEPR. Should the Government determine that the PRN system continues to serve a necessary function, careful consideration must be given to refining its scope, in particular, limiting its application to commercial packaging.