

# **Consultation on reforming the UK producer responsibility system for waste electrical and electronic equipment (WEEE)**

## **Fairer Scotland Duty Summary**

**December 2023**

## Purpose and context

This section provides a summary of the aims and expected outcome of the proposed policy changes.

The Scottish Government, together with the UK and Welsh Governments and the Department of Agriculture, Environment and Rural Affairs in Northern Ireland (DAERA), intend to reform the current producer responsibility system for waste electrical and electronic equipment (WEEE).

The Waste Electrical and Electronic Equipment Regulations 2013 (the WEEE Regulations) <sup>1</sup> provide a degree of producer responsibility for electrical products placed on the market. They have supported an increase in the recycling rate of WEEE; ensured WEEE that is correctly disposed of is managed correctly; and reduced environmental impacts from poorly managed WEEE.

The proposals laid out in the accompanying consultation aim to encourage greater reuse and recycling by making it more convenient for the public to deal with their WEEE responsibly. The consultation also proposes to expand producer responsibilities to online marketplaces and distributors; and finally to ensure that producers of vapes properly finance recycling costs when they become waste.

Items currently collected via the existing WEEE Producer Responsibility (PR) scheme via local authority Household Waste and Recycling Centres (HWRCs) and directly from retailers are correctly managed. However, it is believed a significant volume of WEEE is lost to due to incorrect disposal by households. UK-wide research from Material Focus indicates that there is still only a 57% recycling rate, with around 450,000t of WEEE disposed of through residual streams.<sup>2</sup> Of this, 155,000t is estimated to arise in household residual waste.

The current system for collection and proper treatment of WEEE is based on 'collective producer responsibility'. Producers contribute based on their market share in specified equipment categories, but do not have to reprocess their own equipment. The WEEE Regulations have led to separate collections of household WEEE, primarily via HWRC's and retailers. Industry have funded the cost of collection and proper treatment since 2007<sup>3</sup>.

The current WEEE PR system does not fully meet the requirement that producers bear fiscal responsibility for all impacts of the products they place on the market. As such, they are not incentivised to reduce these impacts, to

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<sup>1</sup> [The Waste Electrical and Electronic Equipment Regulations 2013](#)

<sup>2</sup> [Material Focus - Mapping waste electrical flows in the UK](#)

<sup>3</sup> [The Waste Electrical and Electronic Equipment Regulations 2006](#)

advance circular outcomes from their products and are not responsible for all of the environmental impacts created by their products at end of life.

Extended Producer Responsibility (EPR) is a well-established principle around the world and places the costs of managing products at end-of-life on producers in line with the 'polluter pays' principle. EPR will replace the existing WEEE Producer Responsibility scheme<sup>4</sup> and will apply to the whole of the UK.

## Provisions within the review of UK producer responsibility systems for waste electrical and electronic equipment (WEEE)

The policy proposals for WEEE EPR are set out in two documents: a consultation on firm policy proposals, accompanied by a suite of impact assessments; and a Call for Evidence on policy proposals which we intend to develop further.

The key policy proposals set out in the consultation document are:

- To require producers to fund a kerbside collection for WEEE for households.
- To require online sellers and marketplaces to provide takeback options of WEEE for consumers, and for physical retailers to offer increased in-store take back options.
- To require online sellers and marketplaces to contribute to financial obligations placed on EEE producers.
- To create a new WEEE category for vapes/e-cigarettes.
- Creation of a WEEE Scheme Administrator and governance requirements including performance indicators

The proposals that we are seeking to gather more evidence on, set out in the accompanying Call for Evidence are:

- To require producers to cover the full net costs for managing their products when they become waste (in addition to kerbside collections for small and large WEEE as per the consultation proposals above).
- That the current methodology for how costs are allocated for the collection and treatment of household WEEE should be reviewed.
- That methodologies for encouraging the prevention, and increasing reuse of, unwanted electrical equipment through producer fees is considered/investigated.
- That eco-modulation approaches are considered to support a move towards a circular economy through improved product design and business models.

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<sup>4</sup> [The Waste Electrical and Electronic Equipment Regulations 2013](#)

- To consider approaches to increase collections of business WEEE.
- To consider options to help support improvements of treatment standards.

While the policy proposals in both the consultation and the call for evidence are focused on producers rather than individuals, they have the potential to impact on individuals and households.

The reform of WEEE PR is considered a strategic decision, requiring the completion of a number of impact assessments including a Fairer Scotland Duty Assessment.

This initial Fairer Scotland Duty Assessment has been completed by carrying out a scoping workshop with Scottish Government and Zero Waste Scotland. It has been further supported using desktop research.

We have also produced a partial Business Regulatory Impact Assessment (BRIA), Equalities Impact Assessment (EQIA) and Island Communities Impact Assessment (ICIA), which sit alongside the Consultation document and its more detailed proposals.

At this stage, the Call for Evidence document asks for input and additional evidence to allow further development and refinement of these proposals ahead of a planned future UK-wide consultation where updated versions of the BRIA and other impact assessments will be provided.

## Summary of evidence

The possible impacts of the policy on lower-income households have been assessed based on the available evidence for these policies, which are still in development. As the policies are developed in more detail and impacts become clearer, further iterations of this impact assessment will be developed and published.

The final scheme design will be developed having regard to responses to the consultation. In the case of options set out in the accompanying Call for Evidence there will be a further, full consultation with associated impact assessments

Two potential issues were identified during the initial framing workshop and are further considered in this assessment:

- The potential for producers to “pass through” the cost of the scheme to consumers; this is referred to as “cost pass-through.”
- Access to storage space for large items of WEEE.

**Cost pass-through - Impacts of changes to producer fees passed on to the consumer**

Cost pass-through<sup>5</sup> may arise due to a number of the proposals in the consultation. These proposals have the potential to result in new associated fees and/or costs for producers being passed on to the consumer in the retail price of the goods.

At present, producers only pay the financial costs for uplifting WEEE from Household Waste Recycling Centres (HWRCs), delivering to appropriate reprocessors and ensuring the items are disposed of in an environmentally sound manner. WEEE collected by local authorities via other routes, e.g., within kerbside household recycling or residual bins or via fly-tipping clearance is not fully funded through the existing producer responsibility scheme.

The proposed WEEE EPR changes will place on the producers of electrical and electronic equipment (EEE) the cost of collection, treatment and appropriate disposal once the equipment becomes waste. This will include funding the collection of small and large WEEE at the kerbside at no cost to the householder.

Producers may choose to pass on some proportion of the increased costs to the consumer by raising the price of electrical equipment.

At this time, direct attribution costs have not been finalised. However, cost modelling work undertaken by Defra suggests an estimated small net cost across all households of £0.95/year should all proposals in the consultation be taken forward. As noted below, this should be compared to existing collection costs for households of approximately £5 to £65 per collection for large bulky WEEE such as fridges and large TVs, which would be removed under proposals.

**Cost pass-through - Moving toward circular economy processes may make products and services more expensive for consumers.**

One of the likely outcomes from the reform of the WEEE scheme is an intention to drive more circular product design<sup>6</sup>, by prompting changes to material choice to enable better recycling, design changes to improve durability, repair and reuse and also to drive the market to adopt circular business models. All of these could increase the cost of products, and/or the affordability of maintenance and repair services. The cost of these compared to the current retail price point is unclear at this time.

Where cost pass-through occurs, the initial product price could increase causing an immediate financial impact on individuals, even if that means the product is more durable and therefore lasts longer.

The disposable income<sup>7</sup> of a low-income household may not allow for that initial higher spend, and so investment in better longer-term products would be less affordable.

It is not possible to determine the direct impact of WEEE EPR reforms on product price due to the number of variables that determine the market price of a product.

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<sup>5</sup> [Cost pass-through: theory, measurement, and potential policy implications](#). Cost pass through occurs when a business changes the price of the products or services it sells following a change in the cost of producing them.

<sup>6</sup> [Design and the circular economy \(ellenmacarthurfoundation.org\)](#)

<sup>7</sup> [Understanding consumers on low incomes \(publishing.service.gov.uk\)](#)

We will keep this under review should more information become available.

## Obligations to collect large WEEE from households – household storage implications

The consultation includes a proposal whereby retailers would be obligated to provide a free of charge “collection on delivery” service. This would require retailers to provide free takeback for large domestic appliances such as washing machines, dishwashers, fridges, freezers and TVs. As part of that proposal, the consultation seeks views on the timeframe for collection, up to 28 days after delivery of the new appliance. This was identified at the initial Fairer Scotland Duty Assessment workshop as a potential issue. In particular it was noted for lower income households who may be more likely to live in smaller accommodation<sup>8,9</sup> may also have less access to external storage such as a garage or garden storage.

A lag between delivery of the new appliance and uplift of the old one may present a storage challenge for some and could in turn lead to a decline in local environmental quality<sup>10</sup> should items be placed on shared land or kerbside for extended time periods while awaiting collection. Additionally, the quality of recyclable materials could deteriorate due to exposure to weather conditions. However, our expectation is that the majority of large domestic appliances are delivered directly to households, and therefore that the most likely takeback service would take place at time of delivery.

The potential for this proposal to adversely impact on households will be further considered as the final scheme design is developed. As the final scheme design and collection obligations become clearer, the extent of this impact will be better understood.

## Provision of additional collection services and positive impact on fly-tipping

A number of the proposed changes should have a positive impact on all users of EEE, as at end of life they will be collected for free. In particular:

- proposed obligation for producers, distributors and marketplaces to fund the collection of household kerbside collections for small WEEE
- proposed obligation for producers, distributors and marketplaces to fund local authority collection of household kerbside collections for large WEEE
- retailer obligation for take back on delivery of newly purchased large WEEE

Currently there is a range of costs for such collections across retailer and local authority for collections of large WEEE such as fridges and cookers, with some charging per item and others per length of time. Broadly, costs range from £5 to

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<sup>8</sup> [Section one - Housing - Scottish Household Survey 2020 - telephone survey: key findings - gov.scot \(www.gov.scot\)](#)

<sup>9</sup> [2 Key Attributes of the Scottish Housing Stock - Scottish house condition survey 2016: key findings - gov.scot \(www.gov.scot\)](#)

<sup>10</sup> [Keep Scotland Beautiful - Local environmental quality in decline](#)

£65 per collection dependent on number of items.

Previous research<sup>11,12</sup> has highlighted that those living in the most deprived areas are most likely to experience issues with littering and fly-tipping. With the introduction of free collections for all household WEEE it is assumed fly-tipping of such items will reduce.

### Local economic opportunities and the impact on jobs

It is not anticipated that there will be a direct impact on jobs in Scotland because of the policy reform proposals, as the primary aim is to transfer costs from the public purse to the producers of EEE. A Scottish Firms Impact Test will be carried out as part of the full Business and Regulatory Impact Assessment (BRIA) at the relevant policy stage and will identify any likely positive or negative impacts for Scottish businesses.

### Summary of assessment findings

This initial Fairer Scotland Duty Assessment has identified that those experiencing socio-economic disadvantage are likely to spend equally on EEE as those from other higher socio-economic areas.

While this policy is not intended to directly cause an increase in the price of goods, it is possible that producers may pass on any additional costs that they incur.

However, it is also likely that policy reforms will reduce some costs to households through increased free kerbside collections of small and large WEEE.

It is our intention to use the upcoming UK-wide consultation period to undertake additional evidence building and stakeholder engagement to further understand this. The outcome from these discussions will be included in an updated assessment to be published with our response to the consultation.

### Sign off

David McPhee  
Deputy Director Producer Responsibility Division  
Date: 30 November 2023

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<sup>11</sup> [Zero Waste Scotland - Scotland's Litter Problem](#)

<sup>12</sup> [Scotland - National litter and flytipping consultation: strategic environmental assessment](#)



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