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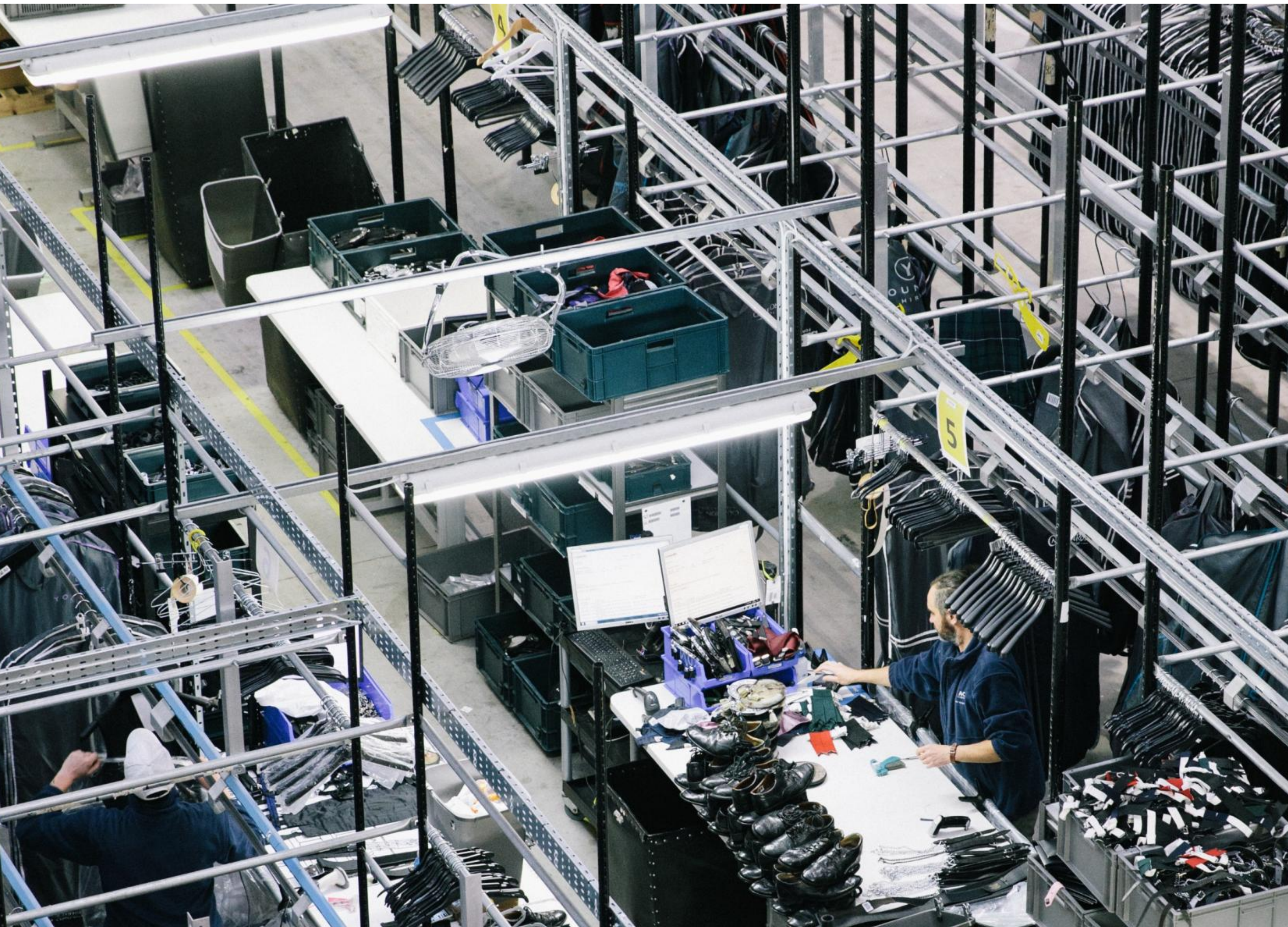
Circular economy policy in the UK

A post Brexit review



What has changed since Brexit?

Before Brexit, UK circular economy policy was largely shaped by EU legislation, predominantly through directives transposed into domestic law. Although waste and resources policy was already mainly devolved, EU legislation provided a baseline that all parts of the UK had to meet but were free to exceed.

With this framework removed, there is a risk of inconsistencies across the UK. Overall, progress in the UK has been slower than in the EU, though there have been some advances.

Positive progress, for instance, is clear in Wales, where high recycling rates were already being achieved before Brexit, and with its ambitious 2021 'Beyond recycling' strategy. This strategy focuses on measures higher up the 'waste hierarchy' with the intention of achieving 'one planet' resource use.[1, 2] And Scotland has developed a new Circular Economy Act and route map.[3]

Momentum is also building in England, with a Circular Economy Strategy green paper expected in late 2025.[4] The predecessor to this, the 2018 'Our waste, our resources' strategy, which aimed to maximise resource value, reduce waste and improve monitoring and data, was a post-Brexit milestone with a mixed legacy.[5] Commitments included a deposit return scheme for drinks containers, extended producer responsibility for packaging and higher recycling targets.

Although the current government has continued with the previous administration's collection and packaging reforms, the 2018 strategy has failed to deliver on most of its promises, with many of its milestones delayed or missed entirely.[6]

That strategy explicitly addressed Brexit implications, fitting into the government's vision for "a green Brexit in which environmental standards are not only maintained but enhanced". This included promises to match, or where economically practicable, exceed EU ambitions on ecodesign standards and reduce single use plastics.[7]

Despite the strategy's intentions, EU circular economy policy has pulled ahead in most areas. Guided by the European Green Deal, the EU introduced a Circular Economy Action Plan in 2020, which is being implemented.[8]

Looking to the future, the EU may widen the gap further. As part of its forthcoming Clean Industrial Deal, the European Commission is expected to propose a Circular Economy Act in 2026, which could leave the UK falling even further behind, disadvantaging UK citizens and businesses.[9]

Two divergence trends

Divergence between UK and EU circular economy policy began almost immediately after Brexit.[10]

Two areas stand out as significant: extended producer responsibility (EPR) and ecodesign and product regulation, including the right to repair. Both are recognised as cornerstones of strong circular economy policy making, and the lack of UK action on these is symptomatic of two worrying divergence trends.

Divergence by default: ecodesign and product regulation

In 2021, the UK government introduced a "new legal right to repair", framing it as a landmark measure. But it was just the delayed transposition of a limited set of EU ecodesign standards, covering kitchen white goods, televisions and lighting.[11] No further changes have followed, although the UK recently consulted on matching EU ecodesign standards for tumble dryers.[12]

Overwhelmingly, there has been 'divergence by default', ie the UK has stood still while the EU continues to make progress. For example, recent EU measures include ecodesign requirements for tablets and smartphones, raising standards on durability, repairability and operating system support.[13] It has also created new consumer rights regulation: the 2024 Directive on Repair of Goods, towards a real right to repair, banning certain anti-repair practices, requiring manufacturers to offer repairs and spare parts at reasonable cost, even after warranties expire, and mandating access to repair information.[14]

In future, the EU will be even more ambitious, with a new framework called the Ecodesign for Sustainable Products Regulation (ESPR).[15] This expands ecodesign requirements beyond energy related products to cover a broader range of products. It moves away from the previous time intensive approach which set standards on a product by product basis, instead allowing them to be set ' horizontally' for products sharing similar characteristics, significantly speeding up delivery.[16] The initial set of product groups identified for attention in the 2025 working plan included steel and aluminium products, textiles, furniture and mattresses, with new measures relating to the repairability for electronics also on the horizon.[17]

Delay and reversal: extended producer responsibility

On EPR, UK ambitions which, in some instances, were exceeding the EU's, have now been tarnished by delay and reversal. The extended timetable for packaging reform is a prime example of the UK's difficulty in turning commitments into practice.

Packaging EPR has been delayed several times from the originally planned 2023 launch date. It is currently going through phased rollout amidst continuing opposition from a limited but vocal section of the packaging industry and lack of clarity over how overall costs will reduce in the long run.[18,19]

This situation is even more apparent for batteries and textiles, where there is UK inaction rather than just delay. In 2023, the EU adopted a new Batteries Regulation, setting legally binding targets for recycling efficiency, recycled content and material recovery in electric vehicle and portable batteries. It also requires portable batteries in electronic devices to be removable and replaceable by consumers and introduces a digital 'battery passport' to improve transparency across value chains.[20] The UK, by contrast, produced a Batteries Strategy in 2023 under the former government, but with no binding legal framework or enforceable targets.[21]

For textiles, the EU is in the final stages of agreeing revisions to waste law under which EPR schemes will become mandatory and harmonised across all member states.[22] The UK, by contrast, scaled back its plans for textiles EPR in the 2023 Waste Prevention Plan, prioritising a voluntary approach.[23] This is despite broad industry support for more ambition.[24]

Construction: the higher the impact, the higher the stakes

Construction is an extremely resource and carbon intensive sector in the UK, consuming more raw materials than any other, generating the largest share of waste and accounting for around a quarter of carbon emissions on a consumption basis.[25] Therefore, it is a high stakes policy area to get right, from both industrial efficiency and climate change perspectives. However, the EU is moving faster and has already put two major steps in place.

One particularly significant issue concerns embodied carbon, which is intrinsically tied to material use. In May 2024, the EU adopted the new, revised Energy Performance of Buildings Directive (EPBD). From 1 January 2028, whole life cycle carbon assessments will be mandatory for all new buildings over 1,000m² across the EU and, from 2030, it will apply to all new buildings.[26] This approach, considering a building's entire lifespan, marks a major shift in thinking that will drive incentives towards significantly reducing material use. In effect, the EU has introduced legislation aligned with 'Part Z' requirements, long called for by the UK's building industry, while the UK government has promised only to consult on embodied carbon, with no binding measures.[27, 28, 29]

The EU has also updated its Construction Products Regulation, strengthening requirements on sustainability and digital information about products.[30] This includes the introduction of 'digital product passports' for construction products, providing details on composition, environmental impact, performance, repairability and recyclability. The UK has not matched the EU on this, but a February 2025 green paper from the Ministry of Housing, Communities and Local Government (MHCLG) suggests potential movement towards alignment, including endorsing the idea of digital product passports.[31]

As construction is a priority sector in the forthcoming Circular Economy Strategy for England, with its own sector transition roadmap, this is an opportunity to close gaps between UK and EU standards and secure long term change in this high environmental impact sector.

Risks and opportunities

Divergence is not always a problem. Taking a different path can create space for innovation and allow the government to respond to its own particular priorities. But there are also risks.

Falling behind on EPR, for instance, could leave British people shouldering greater costs.[32] Producers selling in the UK could avoid accountability for the full lifecycle of products, compared to those operating in the EU.[33] Similarly, weaknesses compared to the EU on ecodesign could mean the UK market permits the sale of products that are more damaging to health and the environment than those on sale in the EU.

Many UK and international businesses will voluntarily align with EU standards to maintain access to markets, but non-European producers could 'dump' products that fail EU standards onto the less stringent UK market, leaving consumers with inferior and even possibly harmful goods.[34]

More broadly, without the baseline of EU legislation, devolved policy making on waste and resources risks creating inconsistencies, for example in deposit return schemes, targets or recycling regulations, which could undermine coherence in the internal market and limit progress on resource use nationwide.

Following are examples of the risks and opportunities:

A risk

Issues around creating a deposit return scheme for drinks containers illustrate problems around UK coherence. Scotland planned to launch its scheme in 2023, including glass. The UK government intervened, invoking the UK Internal Market Act 2020, setting significant conditions for granting a temporary exclusion, including removing glass.[35] Scotland's first minister at the time deemed this a constitutional fight the UK did not need to pick, writing to the prime minister that "there are much wider consequences of the decision. This UK government intervention at such a late stage demonstrates a major erosion of the devolution settlement."[36]

Scotland had to delay its scheme to 2027, to align with the (also delayed) England and Northern Ireland scheme and it will not include glass. Due to a similar conflict over the inclusion of glass in the scheme, the Welsh scheme, out for consultation from August to November 2025, will be separate, with the rollout date not yet confirmed, but it commits to include glass and promises to focus on promoting reuse.[37, 38]

Such disputes have slowed progress at a time when clarity, consistency and ambition are critical. It raises concerns that devolved governments wanting to exceed Westminster's ambitions may continue to come up against barriers in future. At the same time, businesses could face the burden of having to comply with different regulatory approaches across a relatively small island.

An opportunity

Conversely, this new context also creates opportunities for the UK to act decisively on its own terms rather than follow the EU. One such example is around single use products. Using powers under Section 140 of the Environmental Protection Act 1990, the UK government announced in October 2024 that it would ban the sale of single use vapes, effective from June 2025.[39] This legislation prohibits the sale and supply of single use vapes, applying to all businesses, including retailers, wholesalers and online sellers. While the ban requires careful implementation to ensure compliance and effectiveness, it sets a strong precedent for UK ambitions to protect the environment and health, showing that it can act independently where necessary. There is, as yet, no equivalent EU-wide intervention, although some member states, including France and Belgium, have taken similar measures and the EU's battery regulation means portable batteries in all electronic devices, including vapes, will have to be removable and replaceable by end users by 2027.[40] The UK's relatively swift and more comprehensive ban shows there are opportunities for leadership.

What's next?

The government's approach to post-Brexit regulatory freedom, and to whether it matches or exceeds best practice elsewhere, will be critical for progress on growing the circular economy and the UK's ability to realise its significant economic and social benefits.

The upcoming Circular Economy Strategy for England is an opportunity for the Westminster government to set out an ambitious vision for the economy, with roadmaps for the highest impact sectors. It should set binding targets, include strong accountability and bold measures to reduce resource use and its impacts.

One unfortunate effect of this strategy's process has been that, rather than progressing policy, it has delayed action. The timetable has slipped repeatedly. First billed as a six month exercise to create a final strategy, it has been extended to a year. The draft is now expected in autumn 2025, followed by consultation and a final strategy in spring 2026.

This timetable is at risk of slipping further as a new secretary of state settles into post at the Department for Environment, Food and Rural Affairs, following the ministerial reshuffle in September 2025. Parliamentary questions on the circular economy have been answered with a promise that a strategy is coming, so the government is failing to capture quick wins that could be achieved in the meantime.

Broader powers are already on the statute book, including through the Environment Act 2021, which took wide ranging powers on resource efficiency standards and producer obligations, and the Product Regulation and Metrology Act 2025, which includes an explicit power to maintain alignment with new EU laws on product standards.[41] Using these powers will require significant policy development, consultation and parliamentary time, so they cannot be relied on to deliver short term results.

Where the government can and should act is on commitments it has already made, using tools it already has at its disposal. Implementing collection and packaging reforms, strengthening the Plastic Packaging Tax and matching existing EU ecodesign regulations are all examples of this.

Timelines for packaging EPR have been hampered, when action could have been swift and decisive. Existing commitments could be implemented and improved even as strategy is developed, with quick wins alongside longer term economic shifts.

For both short and long term success, it will be important to set adequate targets to motivate action and guide progress. Experience shows these only work well when backed by accountability measures. England's target to recycle

50 per cent of household waste by 2020 was missed and there were no consequences.[42]

By contrast, the EU is putting stronger enforcement in place. Infringement proceedings are opened against every member state that fails to meet equivalent obligations from the Waste Framework Directive and Packaging and Packaging Waste Directive.[43]

It is notable that Wales, the only UK nation which has binding recycling targets for local authorities, set at 64 per cent from 2019 to 2020 and 70 per cent by 2024 to 2025, is the only nation consistently meeting its goals, with a recycling level of 66.6 per cent in 2023-24.[44]

Next steps must include more progress in areas where the UK has yet to set any binding targets. The EU has pursued mandatory food waste reduction targets, in contrast to the UK's continued reliance on voluntary measures. In February 2025, the European Parliament and the European Council reached a provisional agreement on binding national food waste reduction targets for 2030: a ten per cent cut in food processing and manufacturing and a 30 per cent per capita cut by retail, restaurants, food services and households. [45]Although these fell short of campaigners' demands, a binding framework is preferable to the UK's voluntary approach, with continued resistance to mandatory food waste reporting and statutory targets. Instead, in the UK, WRAP's Courtauld Commitment 2030 sets voluntary targets and encourages partners to achieve a 50 per cent per capita reduction in food waste by 2030, which is ambitious but not enforceable.[46]

Recommendations for the Circular Economy Strategy for England

Despite its delay, the forthcoming strategy is a rare opportunity to reshape England's economy positively over the long term, to retain the value of materials in circulation for longer, with the expanded commercial opportunities that brings, benefiting consumers and business alike.

To secure these benefits, the UK must ensure its citizens and businesses have the same opportunities as those in the EU, using this strategy to match or exceed European progress, safeguard competitiveness and deliver the positive economic transformation the country needs. If the strategy meets the following five tests, it could deliver such a transformation.[47]

1. **Futureproof long term growth, avoiding the financial risks of linear models and supply chain disruption.** The strategy should prioritise resilience, recognising and addressing risks posed by over reliance on linear systems and fragile global supply chains, particularly around critical raw materials.
2. **Rebalance the investment environment to enable circular business to thrive.** Economic distortions favouring wasteful linear models should be corrected. Instead, fair and positive incentives should be introduced for circular businesses to grow and compete. Government procurement policy has a role in boosting the market for circular goods and services.
3. **Set a long term goal to bring England's resource use within planetary boundaries.** The government should commit to bring England's material footprint in line with known planetary boundaries and set a target as the guiding star for action. The Environment Act 2021 already provides powers to set long term, legally binding targets of this kind. This headline ambition should be signalled in the strategy, with commitment to enshrine it as a legal target through the act's framework when statutory targets are next reviewed in 2027-28.
4. **Establish a robust framework for important sectors to deliver against overarching aims.** The strategy has promised sector specific roadmaps, beyond recycling, to drive systemic change in high impact industries, including the built environment, transport, electronics, textiles, agrifood, chemicals and plastics. Timelines and actions by different players must be made clear.
5. **Ensure the whole government is behind the strategy for the long term.** Securing the benefits of a circular economy requires enduring cross departmental commitment at the highest levels of government, with clear accountability and collaboration between Westminster and the devolved administrations.

Endnotes

[1] The 'waste hierarchy' ranks waste management options by environmental benefit. The top priority is to prevent waste in the first place. If waste is created, the order of preference for subsequent treatment is: reuse, recycling, recovery and, finally, disposal.

[2] 'One planet' resource use defined in the Welsh strategy means using natural resources at a level that is sustainable globally, such that, if everyone consumed like Wales aims to, the Earth could support it. See: Welsh government, 2021, 'Beyond recycling: Wales's circular economy strategy'

[3] Scottish government, 2024, 'Circular Economy (Scotland) Act 2024'

[4] UK government, 12 December 2024, 'Circular Economy Taskforce'

[5] UK government, 2018, 'Our waste, our resources: a strategy for England'

[6] For more detail on the legacy of the strategy, see: Green Alliance, 2024, *Getting on track for a circular economy: how the government can avoid mistakes of the past*

[7] UK government, 2018, op cit

[8] European Commission, 2020, 'A new Circular Economy Action Plan for a cleaner and more competitive Europe'

[9] European Commission, 1 August 2025, 'Commission launches consultation and call for evidence for upcoming Circular Economy Act'

[10] For a more comprehensive assessment of divergence across all sectors, see: Institute for European Environmental Policy UK and Aldersgate Group, 2025, *Review of the UK and EU circular economy legislation landscapes and implications for businesses*

[11] UK government, 2021, 'The ecodesign for energy-related products and energy information regulations 2021'

[12] Department for Energy Security and Net Zero, 17 July 2025, 'Closed consultation: raising product standards for household tumble dryers'

[13] European Commission, 2023, 'Regulation (EU) 2023/1670 laying down ecodesign requirements for smartphones, mobile phones other than smartphones, cordless phones and slate tablets'

[14] European Parliament and the Council of the European Union, 2024, 'Directive (EU) 2024/1799 of the European Parliament and of the Council of 13 June 2024 on common rules promoting the repair of goods'

[15] European Parliament and the Council of the European Union, 2024, 'Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products'

[16] European Commission, 19 July 2024, 'Sustainable products to become norm for consumers as new law enters into force'

[17] European Commission, 16 April 2025, 'Commission rolls out plan to boost circular and efficient products in the EU'

[18] UK government, 2024, 'The Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024'

[19] *Circular*, 25 July 2023, 'Delay in producer fees for packaging EPR'

[20] European Parliament and the Council of the European Union, 2023, 'Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries'

[21] Department for Business and Trade, 2023, 'UK battery strategy'

[22] European Council, 19 March 2025, 'Council and parliament agree to reduce food waste and set new rules on waste textile'

[23] Department for Environment, Food and Rural Affairs (Defra), 2023, 'The waste prevention programme for England: maximising resources, minimising waste'

[24] See, for instance, UK Fashion and Textile Association, 29 September 2024, 'Industry calls on government to step-up on variable EPR fees for clothing and textiles'

[25] Green Alliance, 2023, *Circular construction: building for a greener UK economy*

[26] European Parliament and the Council of the European Union, 2024, 'Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings'

[27] 'Part Z' is a proposed new section to be added to UK Building Regulations that would require developers to assess and report the whole life carbon emissions of new buildings, as the EU has just done. For more, see: Part Z UK, 31 January 2024, 'Policy position paper: embodied carbon regulation – alignment of industry policy recommendations'

[28] Ministry of Housing, Communities, and Local Government (MHCLG), 7 July 2025, 'The practical, technical and economic impacts of measuring and reducing embodied carbon in new buildings'

[29] While the UK government has not yet introduced 'Part Z'-style requirements on embodied carbon, London has already gone further at the city level. Under the London Plan, new developments are required to carry out a whole lifecycle carbon assessment, covering embodied and operational emissions across the entire building lifecycle. For more see: Greater London Authority, 2021, *The London plan: the spatial development strategy for Greater London*

[30] European Parliament and the Council of the European Union, 2024, 'Regulation (EU) 2024/3110 of the European Parliament and of the Council of 27 November 2024 laying down harmonised rules for the marketing of construction products'

[31] MHCLG, 26 February 2025, 'Construction products reform green paper'

[32] Without EPR, individuals can face fees to recycle old products, especially bulky items like white goods. Local councils also shoulder most packaging disposal costs, which ultimately also fall on the public through council tax. EPR shifts these costs to producers, ensuring the full lifecycle of products, including waste management and recycling, is funded by those who are responsible for the environmental impacts of the products.

[33] Green Alliance blog 'Inside Track', 25 April 2024, 'Polluter pays: we think it's an idea whose time has come, and the public agree'

[34] For more on the possible impacts of a widening design gap see: IEEP, 2025, *External impacts of new EU sustainable product standards*

[35] Department for Levelling Up, Housing and Communities, 27 May 2023, 'Policy statement: Scottish deposit return scheme - UK internal market exclusion'

[36] H Yousaf, 3 June 2023, 'First minister writes to prime minister: deadline for UK government rethink on deposit return scheme'

[37] Deputy first minister and cabinet secretary for climate change and rural affairs, 10 July 2025, 'Written statement: update on a deposit return scheme that delivers for Wales'

[38] Welsh government, 18 August 2025, 'Consultation document: delivering a best for Wales deposit return scheme'

[39] Defra and Department of Health and Social Care, 24 October 2024, 'Press release: Government crackdown on single-use vapes'

[40] European Parliament and the Council of the European Union, 2023, 'Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries'

[41] UK government, 2025, 'Product Regulation and Metrology Act 2025'

[42] Defra, 5 January 2022, 'Progress report on recycling and recovery targets for England 2020'

[43] European Commission, 25 July 2024, 'July infringement package: key decisions'

[44] Welsh government, 31 October 2024, 'Local authority municipal waste management: April 2023 to March 2024 (headline results)'

[45] European Parliament, 20 March 2024, 'Food waste in Europe: facts, EU policies and 2030 targets'

[46] WRAP, 2025, 'UK Food and Drink Pact' (formerly the Courtauld Commitment)

[47] For more on a successful strategy, see: Green Alliance, 2024, briefing, 'Five tests for England's Circular Economy Strategy: will it deliver transformation?'

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