

Wales DMO application - Clari

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ifications + Responses

Clarification required
Table does not contain key information, including contact number, contact name, and job title.
Applicant states use of retained amounts (unredeemed deposits) will be applied towards the furtherance of the business of the DMO. However, applicant does not describe what will happen to funds if retained amounts exceed what is needed by the DMO. Little or no mention re: consumers,
Further information is needed not sufficient on glass or reuse.
Not clear on how the proposed group will operate, a diagram would be helpful to accompany the narrative, no timelines given
Major gaps: Lack of plans for glass and reuse; Overdependence on future trials rather than concrete proposals; Missing or vague methodologies, especially regarding litter, technology, and behaviour change; Very limited detail on partnerships with Welsh local authorities, community groups, or third sector; Not tailored to Wales - approach appears primarily UK-oriented, insufficiently reflecting Welsh policy, geography, industry, or regulatory requirements; Insufficient evidence - minimal detail, missing methodology, weak rationale, and absence of supporting documentation across multiple sub-sections.
Across all six questions, assessors highlight the same core issues: Major omissions: No contracts; No fee-setting rationale; No Wales-specific processes; No operational detail on how data, fees, or agreements will be managed; Inconsistency - adequate information appears for some aspects, making for an uneven and incomplete submission; Structural concerns - applicant appears to have misinterpreted sections, placing
More detail required on: How fees will be reviewed; How consultation will actually be undertaken; How the approach differs for DMO Cymru versus UK DMO;
Critical lack of detail: Many answers are high-level or incomplete; Key operational components (contracts, criteria, monitoring processes) are missing; Insufficient Welsh-specific planning - responses refer to UK-wide arrangements but are not clear on how they will be adapted to Wales' regulatory, geographical, or operational context; Missing or undeveloped documents - required draft contracts, criteria, and processes are repeatedly absent;
Major lack of Welsh-specific planning - nearly every comment notes that the response works for the UK system but does not translate to Wales, especially for glass, but also reuse. High-level descriptions with missing operational detail - no explanation of processes, criteria, logistics, costs, partnerships, or timelines for take-back services in Wales. No integration with local authorities or existing Welsh recycling systems - absence of references to kerbside systems, community networks, or LA-run services.

<p>Welsh context is almost completely missing - responses do not describe any DMO Cymru arrangements. High-level answers lacking operational detail.</p> <p>Information is generic and does not include: Processes; Data models; Timelines; Roles & responsibilities; Regulatory interactions - NRW engagement is unclear or absent.</p> <p>Further detail required on: Specific detail for proposed DMO Cymru arrangements; Actual deposit level proposals; Detailed consultation plans; Evidence to justify deposit decisions</p>
<p>Major lack of Wales-specific detail - handling fees, consultation, payment processes, and local authority engagement all lack meaningful detail for proposed DMO Cymru arrangements. High-level, incomplete answers - key operational details - fee calculations, verification methods, variations for rural or small retailers - are missing. No draft outputs or evidence - no draft fee levels, models, formulas, or supporting documents. Weak recognition of Welsh local authorities - Engagement with Welsh LAs is missing or superficial.</p>
<p>Additional clarity required on: Bilingual requirements and how they will be applied across all container types including glass; Missing detail for glass and reuse - not clear how logos or return codes will be incorporated for these materials / products – more clarification required for proposed DMO Cymru;</p>
<p>Missing or incomplete detail - across reimbursement, reconciliation, and charitable donations, the responses are vague or lacking practical explanation.</p> <p>Wales-specific processes not described - arrangements are missing or only implied, with no clarity on how Welsh requirements will be met.</p>
<p>Glass and reuse of materials consistently omitted - these materials / schemes are not incorporated into</p>
<p>Repeated lack of Welsh-specific detail - the approach relies on UK-wide assumptions and does not reflect the Welsh context.</p> <p>Weak engagement with local authorities – applicant needs to reconsider its stance of not working with Welsh LAs, which is unacceptable for a scheme in Wales.</p> <p>Insufficient operational clarity- no detailed collection models, rural logistics plan, or sorting/transportation strategy specific to Wales.</p>
<p>Responses are high-level and lack operational detail - across all regulatory areas, the applicant provides statements of intent rather than actionable plans.</p> <p>Welsh-specific compliance is barely addressed - for Welsh Language, Minimum Price for Alcohol, and waste legislation, the applicant provides only generic compliance statements.</p> <p>Little evidence of active engagement or planning - assessors noted repeatedly that responses feel like “bare minimum”, “light-touch”, or “lacking evidence”.</p>
<p>Insufficient detail across all areas - Responses contain general statements but lack practical mechanisms, financial models, timelines, or responsibilities.</p> <p>Weak on engagement with Welsh regulators - the submission appears England-centric and does not properly address NRW’s role or requirements.</p> <p>Repeated absence of proposed DMO Cymru specifics - where UK DMO processes are mentioned, equivalent Welsh processes are missing or undeveloped.</p> <p>Heavy reliance on “intent” rather than operational plans - the submission is deemed not credible, lacking evidence, and insufficient for regulatory assurance.</p>
<p>High-level but lacking operational substance - across all areas, the submission outlines intentions but does not provide the detail needed for sufficient assurance.</p> <p>Where sections are described as strong, this generally refers to the UK framework; Welsh-specific delivery remains largely unaddressed.</p> <p>Missing clarity on implementation, comms, and complaints handling - a lack of practical detail on timelines,</p>

How can the input figures be reconciled with the assumptions commentary, and how will issues such as EPR diversion uncertainty, timetable slippage, funding availability, discrepancies in regulatory compliance fees (£315k vs £60k), funding of proposed DMO Cymru in years 1–2, breakeven viability from year 6, marginal profit risks in years 3–5, absence of deferred income adjustments for unredeemed deposits, year1 cashflow
How viable are alternative funding sources if EPR fees are delayed or unavailable, and what rationale underpins proposed DMO Cymru overheads and cost recharging assumptions?
what further clarity can be provided regarding EPR approvals, alternative funding, overheads and cost allocations?
What is meant by “triangulation”, and can consistent, source based assumptions be provided alongside downside scenarios, confidence ratings and sensitivity analysis?
How would proposed DMO Cymru be funded without EPR income in years 1 and 2?
What is the current level of commitment regarding APFs, what third-party funding is required, what is the status of lender discussions, and how will proposed DMO Cymru manage liquidity?
What assumptions underpin the viability of the Welsh (Glass and Reuse) Co, and how will DMO Cymru maintain its reserve fund?
What scenario testing has been undertaken on the business plan model, and what levels of risk, contingency and scenario planning will be provided to demonstrate financial sustainability for the proposed DMO Cymru?
What scenario and sensitivity analysis will be provided?
Why is government underwriting of third-party facilities required for the UK DMO, and what further detail can be provided on income mitigation measures, scenario testing, and alternative mitigations should EPR fees not materialise?
What policies can be provided to support this section?
What further detail can be provided on funding requirements, sources and uses, downside modelling, funder commitments, viability of proposed DMO Cymru (Glass & Reuse), current financing discussions, alternative funding options, and funding needed for the Reuse trial?
What are the specific financing timelines for the UK DMO?
Can heads of terms be provided?
What additional evidence can be provided?
What is the current status of negotiations regarding external financing?

When will capital-financing timelines be confirmed?

What further detail can be provided on contingency funding for both the UK DMO and proposed DMO Cymru?

Can you provide more information?

Response
Updated in application v2.
Please refer to updated text in section B - 5C.
Please refer to the Org Structure diagram and accompanying text in section B - 5B.
More widely, please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.
Please refer to the Org Structure diagram and accompanying text in section B - 5B.
More widely, please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.
Incorporation of detailed parameters for a reuse trial, how it will be evaluated, and lessons from Newport trial setup. Further information e.g. on engagement with LAs included in relevant other sections.
More widely, please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.
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Please refer to additional detail provided on Welsh-specific return points and the Welsh geographical and organisational context.
More widely, please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.
Please refer to further detail in section 11 which outlines conversations to date and how these could apply in Wales, notably with the involvement of Local Authorities.
More widely, please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.

Key challenges with deposits on glass items outlined within section, with a real intent to explore proposals for how to prevent a segregation of UK supply chains together. Extensive engagement with industry to date has not led to the emergence of any solutions. Many businesses would instead withdraw SKUs from Wales which is an outcome UK DMO would strive to avoid.

More widely, please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.

Please refer to further information included on LAs.

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The position on glass and reuse within this section is stated, further discussions and detail would need to be developed in consultation with NRW and Welsh officials subsequent to any appointment.

Please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.

Please see additional information within section C 16, in particular in relation to the involvement of LAs and utilising existing infrastructure.

Please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.

Further opportunities for LA partnership are outlined within section C - 18. Given the current stage of the process it is not practical for detailed operating models and commercial proposals to have been developed - as in other nations these would be developed subsequent to appointment, in close collaboration with Welsh Government and NRW.

More widely, please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.

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For the set up of glass and reuse, the position on available funding options and the lack of viable alternatives is stated within the document, with an explanation as to why the specific context of the Welsh scheme (e.g. no unredeemed deposits, EPR already in place on glass) results in this.
Please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.
Triangulation in this context means the sources listed have all been considered and used to inform provisional assumptions.
More widely, please refer to p4-5 of application v2 for a discussion of what is an appropriate level of detail for this stage in the process and the mechanism adopted in other UK nations for the development and approval of such detail.
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These discussions have not yet taken place as they would not be appropriate in advance of appointment.
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Negotiations for any external financing for elements of the Welsh scheme have not commenced as they would not be appropriate in advance of appointment.

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