



The Rt. Hon. Kier Starmer MP
Prime Minister and First Lord of the Treasury
Prime Minister's Office
10 Downing Street
London
SW1A 2AA

The Rt. Hon. Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
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14th May 2025

Dear Prime Minister and Chancellor,

Cc Secretary of State, DEFRA; Secretary of State, DBT; Parliamentary Under-Secretary of State, DEFRA

Hospitality is a progressive and forward-looking sector that is rooted in the heart of our communities and takes its responsibilities to the environment extremely seriously. At the centre of hospitality, of course, are our incredible pubs. Likewise, brewing and the wider food and drink sector are vital components of UK manufacturing and committed to sustainable packaging. We support the Hospitality Sector Council and the DBT Recovery plan, and we write to you as organisations representing the sector and its supply chain, who want to see our communities and High Streets thriving throughout the UK.

Our sectors' objectives are closely aligned with that of Government: greater employment, upskilling our workforce and reducing our impact on the environment. Hospitality and its supply chain employs around six million people.

It is in this context that the sector and its supply chain is deeply concerned at the introduction of Extended Producer Responsibility in its current form. There is a widespread belief that this legislation is being introduced far too quickly, and the financial burdens placed on businesses and their impact on growth, are not being acknowledged by DEFRA.

While DEFRA has engaged with businesses and their representatives, the concerns of the sector have not been taken on board by DEFRA and as such, we are now raising these concerns with Treasury and Business and Trade, in the hope that you are able to listen to business concerns.

We note the response from Minister Madders to a Written Question answered on 29th April that a roundtable will take place with business and the Secretaries of State at DBT and DEFRA. It is imperative that representatives from the hospitality sector and its supply chain are present.

EPR comes at a time when there are cumulative issues affecting the sector including changes to employer National Insurance Contributions. We do not believe that due regard has been considered to the full economic impact of this policy measure on investment and growth in the UK, and therefore efforts to alleviate them have been deprioritised. Indeed, DEFRA have confirmed that EPR will operate in an unfair manner for at least two years. We know from our members that this will impact upon investment in the UK.

Below we outline the key issues.

1. Definition of household waste

Under DEFRA's proposals, they have proposed a double payment for hospitality businesses, who will pay twice for waste collection: once through their existing business waste collection and again through the additional costs passed on by producers under EPR.

This double-counting is deterring investment and contradicts statements made by both the Chancellor and the Secretary of State for Business and Trade about the need for sensible regulation, which does not curtail growth.

We welcome Defra's intention to consult on changes to the non-household exemption, later this year, and the recognition that the current definition is not fit for purpose. As the policy was originally intended, the result must be to create a transparent and fair system, including avoiding the double counting of fees.

2. Impact upon investment and growth

There remains a huge amount of uncertainty in the market of the impact of EPR, with no final announcement of the prices involved, and ongoing confusion around definitions of household waste. This is negatively affecting investment decisions, business confidence and customer relationships. The OBR has defined EPR as a tax, however DEFRA have defined it as a levy. This uncertainty about whether costs will have to be absorbed by businesses makes it difficult for them to plan their financial and commercial arrangements, thereby impacting upon growth. Alternatively, passing costs onto consumers will further depress demand due to increased prices, also adversely impacting performance in the sector, and creating inflationary pressure.

The fees for EPR are expected to be published in June and we would urge Government, and Treasury and Business and Trade in particular, to recognise the impact of EPR on economic growth and delay the scheme for at least a year, while the issues above are remedied. Delaying the scheme until these issues are resolved would allow for clearer communication to businesses to ensure that the scheme and its intentions are delivered effectively. Failure to do so will hit investment, damage growth, fuel inflation and undermine efforts to increase recycling.

3. Disproportionate cost burden on glass

The indicative fees published show that glass is disproportionately affected by EPR used widely as a primary means of packaging for beer, cider, wines, spirits. This seems counterintuitive given the high recycling rates for glass. This is compounded by the higher propensity to use glass in the hospitality sector, including for soft drinks, which, as noted above, tends to send the majority of its recycling through commercial waste streams (with very high recycling rates). The level of cost is almost certain to drive certain product types into plastic.

The Office for Budget Responsibility (OBR) have said that EPR is unlikely to have a material impact on rates of recycling or packaging waste volumes in the next five years and yet all 4 nations are continuing to implement, despite the detrimental impact on economic growth.

We would welcome an urgent meeting with colleagues to discuss this issue and avoid yet another blow to pubs, the wider hospitality sector and the UK's food and drink producers.

Yours sincerely,



Andrew Slee, Chief Executive, Society of Independent Brewers;



Tom Stainer, Chief Executive, Campaign for Real Ale;



Kate Nicholls OBE, Chief Executive, UKHospitality (UKH);



Miles Beale, Chief Executive, Wine & Spirit Trade Association;



Emma McClarkin OBE, Chief Executive, British Beer & Pub Association (BBPA);



Rick Bailey, Independent Family Brewers of Britain (IFBB)



James Bielby, Chief Executive, Federation of Wholesale Distributors



Steve Alton, CEO, British Institute of Innkeeping