

18 March 2025

Secretary of State for Environment, Food and Rural Affairs  
Department for Environment, Food & Rural Affairs  
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Dear Secretary of State,

### EPR costs on the hospitality sector

The consequences of the flawed Extended Producer Responsibility (EPR) scheme are now being felt by the hospitality sector. Bills from suppliers are now being received, resulting in significant cost increases as a result of EPR.

Medium sized outlets are seeing increases nearing £750 and a small venue up to £350 per year. Larger pubs will see increases of around £2,000. This is **in addition** to their commercial waste contracts.

These are on top of further costs being incurred from April through employer NICs changes, increases in minimum wage rates and a reduction in business rates relief. Hospitality businesses are extremely pressured and facing severe angst. This is reflected in record-low business confidence.

Hospitality businesses will be forced to pass at least some of the additional cost of this EPR fee onto their customers, as their suppliers have done to them.

Fundamentally, the design of the EPR scheme is flawed, as a result of poor policy design by the previous Government.

Hospitality businesses are being double-charged. They are being passed on an EPR charge, levied on a product incorrectly determined as household waste, and they're also paying for that same product to be disposed of commercially.

This is non-sensical. EPR is designed to recover costs for the collection of household waste. The vast majority of packaging supplied to hospitality businesses **is not leaving the premises and should not be considered as 'household' waste**. There is a significant price premium associated with buying on-premises due to associated property and people costs.

Packaging supplied directly from suppliers to hospitality businesses, particularly closed-loop businesses, should not be levied with EPR charges.

The logic appears to be that a bottle of beer or wine *could* be served to the customer and end up in the household waste system. This is not the reality for the vast majority of hospitality businesses that collect any packaging served to their customers. This is common sense for any of our customers.

**We recommend that Ministerial instruction is given to clarify the relevant regulations and guidance so that direct supply of packaging to hospitality businesses and exclusive hospitality wholesalers (including pub companies) is exempt.**



Where a premises sells packaged product for consumption both on- and off-premises, there needs to be a mechanism that allows for EPR to be paid on only the volume taken off-premises.

To be clear, this should be implemented immediately for 2025/26 packaging use. The system is not-fit-for-purpose and all parties acknowledge that it unfairly penalises packaging sold through hospitality, that should be exempt, by subsidising packaging that should be in scope through large retailers.

It is surely not right that hospitality businesses should pick up the cost of poor policy design and complications with ensuring compliance. The priority must be to ensure that costs are borne fairly.

If this is taken to its extreme, many hospitality businesses will be querying why there cannot be widespread use of local council collections, if they are facing significant costs through EPR.

We welcome the Government's previous interventions to ensure that the system is improved for 2026/27 but we need to ensure that businesses are not incurring unfair costs this financial year that could lead to negative impacts on employment, investment or even business continuity.

We are keen to reiterate our commitment to environmental improvement and we actively support higher recycling rates, and indeed have led in this area, but misallocating costs is not the right way to do.

We would welcome an urgent meeting to discuss these issues at your earliest convenience as these costs are now imminent, as April approaches.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kate Nicholls'.

Kate Nicholls OBE  
**Chief Executive, UKHospitality**

Cc Parliamentary Under-Secretary of State (Minister for Nature) (DEFRA); SoS (DBT); Chancellor (HMT)

Business name
All Our Bars Limited
Azzurri Group
Beer and Buns Limited
Burger King UK
Cote Restaurant LTD
Eden Hotel Collection
Fuller, Smith & Turner
G C Mallen & Co
Inn Collection Group
Marston's PLC
Pho
Punch Pubs & Co
St Austell Brewery Ltd



Stonegate Group
The Fulham Shore
The Revel Collective
Thorley Taverns Limited
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