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Britain’s drinks industry says packaging reform still threatens higher costs after glass fee cuts

Brewers and pub operators say unclear reporting duties, possible double charging and supplier price increases could hit smaller operators hardest

Wednesday, November 25, 2026



Britain’s hospitality and drinks industries are still warning of higher costs and unresolved practical problems under the government’s packaging reform program, even after a reduction in proposed fees for glass.

The concerns were voiced on Wednesday after the Department for Environment, Food and Rural Affairs, or Defra, cut planned extended producer responsibility, or EPR, charges for glass packaging earlier in November. The change followed warnings from brewers, pub operators and other industry groups that the original fee levels would sharply raise costs across the drinks trade and hospitality businesses.

The lower glass fees brought some relief, but businesses said the wider scheme still carries major financial and administrative risks. Industry figures told The Morning Advertiser that questions remain about how the rules will work in practice, how much suppliers will pass on through higher prices, and how EPR will interact with other recycling reforms, including the Deposit Return Scheme, or DRS.

William Lees-Jones, managing director of brewer and pub operator JW Lees, said the company was still trying to assess the full effect of the changes. He said EPR could create problems that operators have not yet fully identified and questioned whether the policy would produce meaningful environmental gains for the trade.

“It all feels quite last minute and not particularly thought through especially with the deposit return scheme happening at the same time,” Lees-Jones told The Morning Advertiser.

His comments point to a broader concern in the sector that the issue is no longer limited to the level of the fee itself. Pubs, brewers and suppliers are also trying to understand what data they will need to collect, which parts of the packaging chain they are responsible for, and how the new reporting burden will affect already stretched smaller operators.

George Greenaway, owner of Tamworth Brewing Co. and Tamworth Tap, said he was closely watching both compliance requirements and the possibility of supplier price increases. He said the two main questions for his business were the time needed to track packaging and the effect of the reforms on stock costs.

Greenaway said the brewery would monitor the packaging it places on the market, while the pub would watch for higher charges passed on by suppliers and look for ways to reduce packaging waste. He said brewing and serving beer on site gives the business some advantages, but added that the new regime could be difficult for smaller companies that must balance brewing, pub management and added administration at the same time.

He said the first practical step was to record packaging weights by material, identify which packaging the business is responsible for, and obtain reliable figures from suppliers. He also said the company needs to account for returnable casks and kegs to build an accurate picture of what it uses and reuses.

That detail matters beyond compliance. For brewers, pubs and other drinks suppliers, packaging rules can influence production costs, wholesale prices and margins throughout the supply chain. Any increase in those costs could affect how beer, wine, spirits and soft drinks are sourced, priced and sold in the British market, especially for independent operators with less leverage in negotiations with suppliers.

Greenaway said larger brewers can spread the extra work across more sites and often have more scope to negotiate with suppliers. Smaller producers and pub businesses, by contrast, may face a heavier burden from data collection and reporting relative to their size.

Asahi UK, one of the major drinks producers exposed to the changes, welcomed the government’s decision to revise the glass fees but said more clarity is still needed. A company spokesperson said the changes were a first step, but urged the government to work with producers and the glass sector to understand the short-term and long-term effects of the reform.

The company said it wants Defra to clarify which hospitality venues will be exempt from double charging and to make sure that any exemption reflects the different ways producers supply pubs and restaurants. Without that clarity, the spokesperson said, there is a potential risk to competitiveness in the market.

The reference to double charging reflects a key industry complaint about the design of the system. Producers and hospitality businesses have been trying to establish when packaging may be charged for recycling obligations more than once as products move through different parts of the supply chain. That uncertainty has become more pressing as businesses prepare budgets and supply contracts for the coming year.

Asahi said it would continue to work with the government, PackUK and industry partners to help shape a system that delivers environmental results while remaining practical and proportionate for businesses.

The dispute over the details of EPR comes at a sensitive time for the sector. Hospitality businesses in Britain have faced repeated cost increases in labor, energy and supplies, and many operators say they have limited room to absorb another layer of charges without pushing prices higher or cutting elsewhere. The fact that EPR is being introduced alongside DRS has added to the concern, because companies may have to adapt to several overlapping packaging and recycling rules at once.

For now, the government’s reduction in the proposed glass charge has eased one part of the pressure. But comments from brewers, pub operators and major suppliers suggest the industry still sees the scheme as unfinished, with important questions left over cost sharing, administration and how exemptions will be applied across the hospitality trade.