

Producer obligations: disposable cups takeback

6.1 In line with the waste hierarchy and the objectives of Extended Producer Responsibility, Government aims to increase the use of reusable cups, reduce the use of difficult-to-recycle single-use cups and increase the recycling of single-use cups. We also want to see a reduction in the numbers of cups that are littered and for it to be easier for people and businesses to recycle used cups through effective and accessible recycling systems. This section sets out Government's proposals to increase the recycling of disposable paper cups.

6.2 The UK Government and the Devolved Administrations are considering possible approaches to reduce the consumption of single use cups through preventative measures such as the introduction of a cups charge. Whilst complementary to Extended Producer Responsibility, these measures do not form part of the packaging Extended Producer Responsibility proposals. The Environment Bill will introduce powers to place charges on single use items, which could be applied to single use cups in the future, if deemed appropriate.

6.3 The targets section sets out Government's intention to introduce a recycling target for fibre based composite packaging from 2026 which would include disposable fibre-based cups. Given current tonnage estimates suggest fibre-based cups could represent just under 50% of this fibre-based packaging, the recycling of paper cups would make a significant contribution to increasing the recycling of this packaging stream. It is estimated that approximately 0.25% of paper cups are recycled at present.¹

6.4 Voluntary takeback initiatives have been positive in helping to support recycling and in indicating the support and willingness of large retailers to undertake cup recycling initiatives. The National Cup Recycling Scheme comprises of eight major retailers including: Costa, McDonald's, Pret A Manger, Caffè Nero, Greggs, Burger King, Pure and Lavazza Professional, which are estimated to represent approximately 36% of the overall market of sold filled disposable cups². It reports a 6% recycling rate, based on the number of cups that its members placed on the market in 2019³.

¹ Environmental Audit Committee. 2017. Disposable packaging: coffee cups. House of Commons, 5 January 2018.

² WRAP - Valpak (2021), 'Single-use cups and on-the-go fibre composite packaging' (unpublished report)

³ <https://www.cuprecyclingscheme.co.uk/news/national-cup-recycling-scheme-updates/uk-cup-recycling-myth-vs--fact>

6.5 However, voluntary initiatives will only go so far. Government wants to see producers take greater responsibility for these difficult to recycle packaging products and provide consumers with the opportunity to do the right thing by recycling their disposable cups. Government is therefore seeking views on placing a mandatory takeback obligation on sellers of filled disposable paper cups, and any impacts this may have on retailers and consumers. This obligation would require the separate collection and recycling of single-use paper cups. Cups made of other materials such as plastic, are more easily recyclable and often are processed alongside other plastic packaging.

6.6 Given the lack of reporting and limited data on disposable cups, Government is also seeking views on obligating producers to report on all disposable cups placed on the market by format at a UK level, in alignment with the reporting requirements set out in the Producer Obligations section. This data would help to monitor progress towards reducing, re-using and recycling disposable cups and determine the proportion of different formats of cups placed on the market, which will help to better target measures to manage disposable cups. This could be introduced in the proposed new Data Reporting Regulation 2021 which will require placed on the market data for 2022 to be reported in January 2023 (see Section 14).

Takeback obligation

6.7 Mandatory takeback would require businesses selling filled disposable paper cups to provide for the separate collection of used cups (either generated in-store or consumed 'on-the-go'), through both instore and front of shop collection points, and to arrange for the collection and recycling of these cups. The takeback requirement would extend to accepting all disposable paper cups at these collection points irrespective of brand or where the drink was purchased.

6.8 Introducing this takeback requirement could provide the financial stimulus necessary (at least initially) for investment in collection and reprocessing (similar to what has been achieved by the National Recycling Cup Scheme) and may reduce costs as economies of scale increase⁴. It would bring all sellers of drinks sold in disposable paper cups onto a level playing-field in providing for takeback. Investing in collection infrastructure and communication campaigns to influence consumer behaviour will also help reduce disposable cups being littered.

6.9 The Impact Assessment assessed the costs and benefits of introducing a mandatory takeback. It estimated that the recycling rate could increase from 0.25% to 39%

⁴ <https://www.cuprecyclingscheme.co.uk/about>

based on stated evidence in the 'Leeds by example's' study⁵. Additional evidence has been commissioned by Defra to inform future analysis.

6.10 If introduced Government would seek to introduce the takeback obligation on sellers of filled disposable paper cups within the Extended Producer Responsibility regulations in 2022 and for it to be met by the end of 2023. Obligated sellers would be able to decide how to deliver on their obligation either by joining an existing takeback scheme, by putting in place their own arrangements or by developing new schemes.

6.11 If introduced sellers would also be obligated to report on cup tonnages separately collected, managed and recycled through their takeback arrangements. It may be possible to be automated through new electronic waste data tracking arrangements. All sellers obligated to introduce takeback arrangements would be required to meet this reporting requirement.

6.12 Once scheme governance arrangements were in place and Phase 2 of Extended Producer Responsibility is operational, brand owners who place disposable cups on the market and are also sellers of disposable cups that have mandatory takeback obligations (e.g. national coffeehouse chains), could seek to off-set the tonnages of cups that have been managed through their takeback scheme against their Extended Producer Responsibility packaging waste management fees. This would be contingent on the seller making necessary arrangements to secure evidence direct from a reprocessor or through their waste collector and presenting this to either the Scheme Administrator or a Compliance Scheme. In line with wider proposals in the consultation, Extended Producer Responsibility producer fees would be paid to cover the costs of managing the cups that are not captured through takeback arrangements (i.e. predominantly managed through business waste, litter management) and contribute to the wider system costs associated with meeting the statutory targets, including contributing to communication campaigns, and scheme administration etc.

6.13 Alongside the mandatory takeback requirement on individual sellers, the Scheme Administrator or compliance schemes could implement other supplementary on-the-go cup collection initiatives such as provision of collection points at workplace and transit hubs if necessary, to help meet recycling targets and other outcomes (i.e. litter reduction).

Approach to small businesses.

6.14 Small and micro businesses account for approximately 35% of the overall market of sold filled disposable cups.⁶ Requiring these businesses to meet mandatory takeback

⁵ https://issuu.com/hubbubuk/docs/double_lbe_report_2019_digital

⁶ WRAP - Valpak (2021), 'Single-use cups and on-the-go fibre composite packaging' (unpublished report)

requirements would make it easier for consumers to recycle their cups and help meet a fibre-based composite packaging target once set.

6.15 However, Government would want to avoid placing a disproportionate burden on these businesses who are often single shops or very small chain businesses. Defra is undertaking further analysis to better understand the benefits and impacts of requiring these businesses to meet the take back requirements. This includes permanently or temporarily exempting small and micro businesses from any takeback requirement.

6.16 Government will consider further what a suitable exemption period may be, however, a two-year exemption would allow time for collection and reprocessing infrastructure to develop and the business payment mechanism (see payments section 8 below) to be implemented. This would then enable the funding of this takeback requirement for smaller businesses through their suppliers and would align with the introduction of fibre-based composite packaging targets.

6.17 If taken forward by Government, it is proposed that the exemption would be set-in alignment with the de minimis threshold set out in the Obligated Producers section. Franchises owned and let by the large sellers/businesses in scope of the producer payment obligation would not be exempt.

Implementation timeline

6.18 If introduced, this is the proposed timeline for implementation:

Table 1 - Indicative timeline for introduction of mandatory takeback for disposable cups

Activity	Time	Description
Defra-funded research project	Spring 2021	Completion of the cups research project
Placed on the market reporting requirement set in regulation	Autumn 2021	Reporting of disposable paper cups as a separate packaging format will be set within the proposed data reporting obligations, for packaging placed on the market in 2022 ⁷ .

⁷ This is contingent on Government progressing with the wider data reporting SI in 2021 to enable phase 1 of EPR to commence in 2023.

Mandatory takeback obligation	Autumn 2022	Mandatory takeback obligation set in packaging Extended Producer Responsibility regulations.
Reporting of data on disposable cups placed on the market begins	January 2023	The first year of reporting on disposable cups placed on the market in Jan – Dec 2022, and formally reported in Jan 2023 ⁸ .
Mandatory takeback obligation on large businesses/sellers to be met	By end of 2023	Mandatory takeback obligation on large businesses/sellers, above Extended Producer Responsibility de-minimis, to be met, including reporting on cups collected and recycled through the takeback scheme
Fibre based composite packaging waste recycling target set	2025	Government sets fibre based composite packaging targets in Extended Producer Responsibility regulations.
Mandatory takeback obligation on all sellers of filled disposable paper cups	By end of 2025	All sellers of filled disposable cups required to have takeback arrangements in place.
Fibre based target to be met	From 2026	Targets to be met from 2026 onwards.

⁸ This is contingent on Government progressing with the wider data reporting SI in 2021 to enable phase 1 of packaging Extended Producer Responsibility to commence in 2023.