

## Respondent Information Form

**Please Note** this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:

<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name  
 Publish response only (without name)  
 Do not publish response

### Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes  
 No

## Questionnaire

### Question 1

What would you consider a reasonable minimum price for a single-use disposable beverage cup, which is visible and separate to the price of the drink, to meet the aims of the scheme: to reduce the use of these items towards reusable alternatives?

- a) £0.20
- b) £0.25
- c) £0.30
- d) £0.40
- e) £0.50
- f) Other amount (please specify)

The AVA does not support the introduction of a charge at any level

- g. I don't know

### Question 2

Please provide reasons for your answer to question 1. We would be interested in knowing your views on what price per cup would encourage behaviour change.

The AVA supports the aims and objectives of the Scottish Government in seeking to develop a fully circular economy. In doing so it is important that policy developments are the result of the fullest engagement with all stakeholders impacted and in line with science-based thinking.

We welcome the creation of a circular economy strategy, the introduction of targets, a focus on household waste and recycling and civil penalties for littering. However, we strongly feel that the introduction of levies and taxes on single use packaging are not fair, proportionate or reasonable. They will create an additional layer of burdens for business and will be counterproductive resulting in a range of unintended consequences.

In opposing the introduction of levies and taxes we refer to the Defra policy mandating paper cup take back in the **Extended Producer Responsibility for Packaging Summary of responses and Government response** ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1063589/epr-consultation-government-response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063589/epr-consultation-government-response.pdf)) which is supported by the Scottish Government, and due to be introduced in 2025.

The AVA welcomes and supports policy interventions that seek to divert cups and packaging into effective recycling streams and to encourage consumer behaviour change to avoid litter. In achieving this shared objective, the evidence clearly demonstrates that the introduction of the proposed Mandatory Take Back scheme on paper cups, will significantly improve recycling infrastructure, enable consumers to choose recycling over general waste and create a new economy for a valuable

recyclable material. In so doing enabling both government and industry to deliver the new targets set.

The UK industry developed the first National Cup Recycling Scheme (**NCRS**), ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1063589/epr-consultation-government-response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063589/epr-consultation-government-response.pdf)) which currently includes 23 waste operators who actively collect paper cups. The UK has the capacity to recycle ALL the paper cups placed on the market and recognises the quality of the fibre used in paper cups, which in turn can be recycled many times again. Collection and recycling are not only environmentally beneficial but create employment and support the economy.

The AVA does not agree the proposed introduction of levies and taxes on single use packaging to be complimentary to the Extended Producer Responsibility proposals for Mandatory Paper Cup Takeback.

The publication of the **Single-use cups and on-the-go fibre-composite food packaging report** (<https://wrap.org.uk/resources/report/single-use-cups-and-go-fibre-composite-food-packaging>) by the Waste Resources Action Programme (WRAP) in conjunction with the respected compliance organisation **VALPAK** (<https://www.valpak.co.uk/>) studied the impact of various policy measures on single use fibre composite cups and food packaging, including Mandatory Take Back, Recycling Targets, Charges, Partial and Full Bans, Deposits and product specific Extended Producer Responsibility.

The AVA believe the conclusions to be clear: Cup taxes, charges, partial and full bans on cups have a net negative benefit with mandatory take back and recycling targets having a net positive benefit. Indeed these findings supports the Scottish government's response to and support of **Extended Producer Responsibility Consultation** ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1063589/epr-consultation-government-response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063589/epr-consultation-government-response.pdf)) and mandatory take back legislation due to apply from 2025.

The independent Equity Consulting economic **impact assessment** (<https://acrobat.adobe.com/link/review?uri=urn%3Aaaid%3Aascds%3AUS%3A5122f8a5-d5e3-3a2a-a8ff-240e388d5116>), showed that a charge of 25p would have a negative impact on hot drink retailers due to lower drink sales as well as the lost add-on food sale, offset slightly by the cost of takeaway cup purchases – an overall total of £646m lost sales across the UK. The potential impact on employment is a loss of over 11,000 jobs and £173m in costs of reduction in employment for the wider economy under the 25p levy scenario.

In addition, we are concerned that any Paper Cup Levy would most affect those on lower incomes. A 20p charge could add anywhere between 8% and 22% to the cost of a drink from a typical **Hot drink menu** (<https://www.just-eat.co.uk/restaurants-mcdonalds-argylestglasgow/menu>). This needs to be considered as the country experiences a cost-of-living crisis.

It is the view of the AVA that cup levies and taxes impact the most vulnerable in society, they do not change consumer behaviour. In a recent change in policy Vancouver City Council **voted to scrap the 25-cent fee for disposable cups**.

The motion to scrap the fee put forward by Councillor Rebecca Bligh says it did not result in a shift in consumer behaviour and came with negative consequences, including "equity impacts" on vulnerable people.

In Portugal recent plans to introduce a charge as part of the Single Use Plastics Directive (SUPD) on a range of packaging items were delayed and the order re-written to exclude charges on beverage packaging. It said: "although they may constitute single-use packaging, it is considered that their application is inappropriate for the isolated purchase of a beverage." It goes on to say the removal of the beverage packaging fee "also obviates the potential distortion of competition between beverages supplied in establishments and those supplied through vending systems." Officials acknowledged paper cups could be recycled into valuable secondary resources.

The consultation document refers to the Netherlands scheme: the Dutch model on not setting a precise levy amount, only a recommendation, does not provide clarity to businesses (with vending machines in different locations for example) and is confusing to consumers. In addition, the Netherlands is the only European country to have introduced a so-called cup levy.

The AVA are gravely concerned that this will bring forward a double charging to industry contrary to government position previously advised. As well as potentially disrupting the introduction of cup takeback schemes and adding additional costs to both businesses and consumers, it will add confusion to both End Users and consumers over what, where, when and how to recycle. In environments where convenience, availability and hygiene are key, then it will be impractical to expect consumers to provide their own re-usable cups in all situations.

This applies particularly in vending where 66% of the workplace Hot Beverage machines are on 'free vend' to employees/customers (AVA 2023 Census & Market Report). The equipment has no payment system, so there is no actual facility to charge the consumer per cup used. Where there is a charge for a vended beverage, the average retail price across the industry is 47p. The proposed cup charge would have a significant negative impact on machine throughput, profitability and thus viability of the whole industry. The impact in vending and automated retail would be disproportionate. To this end, vended cups must be exempt from any charge.

Additionally, over 90% of all hot beverage equipment can be set to sense if the customer is using their own cup. If it is the correct size to fit. As so many machines are in workplace the option is there for people to use their own cups.

### Question 3

Alternatively, Scottish Ministers could require suppliers to charge in regulations but leave it up to suppliers to choose the price they charge for a single-use beverage cup. This approach would be supported by guidance provided by the Scottish Government. This is similar to the approach that taken in the Netherlands. Do you prefer this approach?

- yes
- no
- I don't know

#### Question 4

Please provide reasons for your answer to question 3.

The AVA does not support the introduction of a charge at any level. The introduction of a charge will have significant negative impact on all business serving drinks in single use cups as shown in Question 2. The introduction of a variable charge would lead to a destabilisation of the marketplace with operators seeking competitive advantage through implementing lower and no charges for serving in single use cups.

Existing plans for the introduction of mandatory take back, following industry voluntary action on takes back which has seen over 6,000 collection points already established, should be implemented as opposed to charges and taxes.

- The UK government's proposed Mandatory Paper Cup Take-Back scheme<sup>1</sup> has broad industry support as a practical, effective approach to enhance recycling rates.
- Successful Industry-Led Initiatives:
  - Programmes like the National Cup Recycling Scheme (NCRS) have already increased recycling without additional consumer costs.

#### Question 5

Do you agree the proposed exemption for single-use cups sold in schools is appropriate?

- yes**
- no
- I don't know

#### Question 6

Do you agree the proposed exemption for drinks sold from vending machines is appropriate?

- yes**
- no
- I don't know

#### Question 7

Do you agree the proposed exemption for settings where a reusable cup is not practical is appropriate?

- yes**
- no
- I don't know

## Question 8

Further to Question 6.

The AVA position is that there should be no cup levy introduced at all for the reasons set out in this submission. In any venue. That the Defra proposal for Mandatory Cup Takeback should be implanted across the UK.

In all events, there should be full exemption for all unattended/automated retail points rather than specifying vending. The same equipment could be in use in catering or retail outlets as in vending or unattended micromarkets.

Do you think there should be other exemptions? Please provide as much detail and evidence as you can.

## Question 9

Where do you believe the funds generated from the charge should be directed?

- a) to the advancement of environmental protection or improvement or for a similar purpose
- b) in line with the single use carrier bag charge – retained by business and encouraged to be donated to good causes on a voluntary basis
- c) collected by local or national government
- d) I don't know
- e) other, please provide as much detail as possible.

Please provide any information in support to your answer to question 9.

Despite our objection to the proposal for cup charging – before implementation and proving of mandatory cup takeback model – any form of centralised collection of a cup tax (for that is what it would be) would be a totally inappropriate and unnecessary administrative burden - and ultimately cost – which would be passed on to consumers. The donation of the carrier bag charge to support good causes was shown to result in a significant decline in the receipt of general widespread funding charities would otherwise have received. The cause of this being the misconception that the fund raised by the carrier bag charge supplanted the need for any other charitable donations causing significant challenge and stress to these operations

## Question 10

(Please only answer this question if you are a supplier of single-use disposable cups)

To what extent do you agree with the recording requirements as set out within the consultation document?

- a) Strongly agree
- b) Agree
- c) Neither agree or disagree
- d) Disagree
- e) Strongly disagree

Please provide any information in support to your answer to question 10.

The proposed data collection, recording and reporting will impose significant additional demands and obligations on business that will also be required to report data to Defra under the terms of Mandatory Paper Cup Take Back. The doubling up of reporting requirements will pose a significant burden and cost, to small and independent businesses in particular, which are less able to manage the resource required. The impact of the reporting and its associated costs will necessarily be passed on to the final customer.

### Question 11

To what extent do you agree with the enforcement regime as set out within the consultation document?

- a) Strongly agree
- b) Agree
- c) Neither agree or disagree
- d) Disagree**
- e) Strongly disagree

Please provide any information in support to your answer to question 11.

*The AVA does not support the implementation of a cup charge therefore have not answered this question.*

### Question 12

(Please only answer this question if you are a supplier of single-use disposable cups)  
What are the challenges you face to introducing the charge?

Our members are suppliers of single-use disposable cups – on their behalf: We disagree with implementation of a cup charge, in part because of the practical implications. Almost two thirds of beverage equipment is Free Vend to the consumer/employee, so there is no mechanism within the equipment to charge at point of dispense. (AVA Census & Market Report 2023: Large, free standing is 35% free vend, Tabletop 80% free vend). To apply payment units to existing ‘free vend’ equipment would cost the industry, comprised primarily of independently owned SME’s approximately £60million.

Previous trials of the introduction of reusable cups rather than single use did result in reduction of use of cups – but also reduced consumption on site of 50% to 70%. The introduction of a cup charge, bearing in mind the practical issues already raised in this submission, would have a terminal impact on many of the SME vending operating businesses in Scotland. Business which currently employ around 2,000 operating personnel – without taking account of the supplier company employees.

**Question 13**

(Please only answer this question if you are a supplier of single-use disposable cups)  
How much time do you think it would take for your business to prepare to implement the charge? Please provide reasons for your answer.

- a) within a couple of weeks
- b) one month
- c) two to three months
- d) upwards of six months

*The AVA does not support the implementation of a cup charge therefore have not answered this question.*

**Question 14**

(Please only answer this question if you are a supplier of single-use disposable cups)  
What could the Scottish Government do to assist in helping your business implement the charge?

*The AVA does not support the implementation of a cup charge therefore have not answered this question.*

**Question 15**

Please provide any further information or evidence that should be considered in the accompanying interim Equalities Impact Assessment.

N/A

**Question 16**

Please provide any further information or evidence that should be considered in the accompanying interim Fairer Scotland Assessment.

N/A

**Question 17**

Please provide any further information or evidence that should be considered in the accompanying interim Island Communities Impact Assessment.

N/A

**Question 18**

Please provide any further information or evidence that should be considered in the accompanying interim Business and Regulatory Impact Assessment.

*The AVA does not support the implementation of a cup charge therefore have not answered this question.*

### Question 19

Please provide any further information or evidence that should be considered in the accompanying interim Strategic Environmental Assessment.

*The AVA does not support the implementation of a cup charge therefore have not answered this question.*

20. What is your name?

Name

21. Are you responding as an individual or an organisation?

(Required) Individual **Organisation**

22. What is your organisation? **AVA: The Vending & Automated Retail Association**

If responding on behalf of an organisation, please enter the organisation's name here.

If you are responding as an individual, you can leave this blank.

Organisation

23. If you are responding on behalf of an organisation, how would you describe your organisation?

Retailer Supplier Wholesaler Manufacturer Waste management ENGO NGO Public sector, including local authority Other N/A

If "other" please specify

**Trade Association**

24. If you are responding on behalf of an organisation, are you involved in the supply of single-use disposable beverage cups at any stage?

**Yes**

No

N/A

25. Further information about your organisation's response

Organisations may use this space to provide additional context for their response. This could be information about, for example:

- any research your organisation undertook to inform the response

- any engagement with your members or audience undertaken to inform the response

This is optional.

AVA: The Vending & Automatic Retailing Association is the trade association of the vending industry, representing machine and ingredient manufacturers and suppliers, cup manufacturers and vending machine operating companies throughout the United Kingdom and Eire. Vending operator companies in membership represent approximately 80% of the turnover of the vending industry in the UK.

The UK vending industry has an annual turnover of £3.5bn, with a turnover in Scotland of approximately £240million. It is an industry employing 24,500 people directly in the UK with over 2,000 in Scotland; a figure which is supplemented by those employed within the wider vending channel supply chain. AVA members operate over 420,000 vending machines in the UK of which approximately 35,000 are in Scotland (AVA Census 2023), vending snacks, food, soft drinks, water, hot and cold beverages. Vending operator companies, those who provide, fill and maintain vending machines, are, with one or two exceptions, small or medium sized companies, often family owned. There are 64 such companies in Scotland.

The majority of vending machines and unattended/automated retail installations are placed in sites where consumers will consume the product within the same premises as the machine. Only a very small proportion of machines are in on-the-go sites such as railway stations. Given this, the Association is responding to the consultation on the basis of those machines placed in 'closed' sites; business, academia, hospitals and leisure.

What must be borne in mind is that of the 260,000 hot beverage machines sited in the UK, 218,400 (84%) are sited in workplace. With 254,800 (98%) in 'closed' sites, where there is ready access to bins and recycling, rather than 'on-the-go'. This is UK wide percentage is mirrored in Scotland.

Please add any additional context

26. The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

(Required)

**Publish response with name**

Publish response only (without name)

Do not publish response

#### **Information for organisations only:**

The option '*Publish response only (without name)*' refers only to your name, not your organisation's name. If this option is selected, the organisation name will still be published.

If you choose the option '*Do not publish response*', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

27. Do you consent to Scottish Government contacting you again in relation to this consultation exercise?

(Required)

Yes

No

28. What is your email address?

If you would like to be contacted again in future about this consultation please enter your email address here. You will also need to give permission to be contacted in the question above.

Your email address will never be published.

Email(Required) [David.Llewellyn@the-ava.com](mailto:David.Llewellyn@the-ava.com)

29. I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.

[Privacy Policy](#)

(Required) I consent