

**To:** City Executive Board

**Date:** 3 July 2014

**Report of:** The Scrutiny Committee

**Title of Report:** Recycling Incentive Schemes

## **Summary and Recommendations**

**Purpose of report:** To determine whether incentive schemes or fines encourage residents to recycle, and if so, whether Council should introduce such a scheme.

**Report Approved by:**

**Board Member:** Cllr John Tanner, Cleaner Greener Oxford

**Policy Framework:** Cleaner Greener Oxford

For the City Executive Board to say if it agrees or disagrees with the following recommendations:

### **Recommendation 1**

The Council should invest the £27,000 from the Waste Partnership Board into targeted education campaigns (to include flats) in partnership with the universities and student bodies to encourage recycling.

### **Recommendation 2**

The Council should trial a positive community incentive campaign consisting of stickers being placed on waste bins that encourage residents to recycle for charity. The campaign would make a donation to a charity chosen on an area basis for each tonne of extra recycling collected (above a threshold) and would be funded from the revenue generated through extra recycling.

**Appendix 1** Summary of review reports

**Appendix 2** Oxford's recycling rate

**Appendix 3** Average recycling rate (Quarter 3) per ward

**Appendix 4** Recycling rate per round

## Introduction

1. The recycling panel is made up of Councillors Fry, Jones and Simmons. It has met several times over the last 12 months to discuss and determine the questions:

*“Do fines and incentives to encourage recycling actually work?  
What fines and incentives does the council use to encourage residents to recycle.”*

2. This report is in response to the Value and Performance Scrutiny Committee’s resolutions to the panel following the panel’s first report in March 2013 on whether the council’s recycling target was ambitious enough. From the debate at the meeting, it was felt incentives and fines merited more investigation.
3. The panel commends the recycling team for its performance, especially being continually on the look-out for ways to increase and improve waste management and recycling.
4. This report outlines the panel’s findings.

## Background

5. What are reward schemes?  
Rewards schemes generally require a certain recycling target to be reached before a reward is given. This can come in two forms, the individual or the community scheme.
6. Individual reward schemes reward individual households for the recycling they collect which can be redeemed for rewards such as free trips to the leisure centre or free DVD hire from the library.
7. Community reward schemes reward communities for their recycling, by offering rewards that will benefit the whole community (i.e., new playground equipment, or donation to a local charity).
8. The Government’s stance  
The Government believes residents should be rewarded for recycling rather than penalised for not recycling as they think “that rewards and recognition can motivate people to take action”. In 2011, DEFRA launched the Rewards and Recognition scheme for councils to trial reward-based recycling programmes. The purpose of the scheme was to test a range of different schemes “that reward or recognise people or communities for adopting positive behaviour towards managing their waste”.

9. At the same time, the Government is opposed to householders being penalised for not recycling. The Climate Change Act 2008<sup>1</sup> offered local authorities the opportunity to design and pilot waste reduction schemes and the freedom to introduce charge based incentives. However these clauses were revoked by the Localism Act 2011.

10. Comparison reports

Three reports have recently been published that have reviewed the effectiveness of reward based incentives to encourage householders to recycle.

11. The reports are:

- DEFRA, *Evaluation of the Waste Reward and Recognition Scheme - Emerging Findings*, (December 2013)
- Serco, *Investigating the Impact of Recycling Investigation Schemes –* (January 2014)
- Environment Committee, London Assembly - *Carrots and Sticks – A review of waste financial reward and compulsory recycling schemes* (May 2011)

12. The panel has considered the findings of the three reports and compared them with the campaigns Oxford uses to determine whether incentives or fines are an effective mechanism for encouraging residents to recycle and whether they could be implemented in Oxford.

13. A summary of each report is attached as **Appendix 1** and links to the full reports can be found in the background papers of this report.

### **Rewarding residents for recycling**

14. Statistics from councils who have implemented a reward based incentive scheme suggest they have a significant effect at increasing the recycling rate. The Serco report found that “Authorities with recycling incentive schemes recorded an average 8% increase in recycling performance and a 3% reduction in landfill. With 40% of schemes showing both increased recycling and reduced landfill.” (Serco, 2014, full p29)

15. Despite these statistics, all three reviews were inconclusive on the effectiveness of reward schemes in increasing recycling rates because, in most cases, reward schemes were not trialled in isolation but accompanied other improvements in the service such as an expanded

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<sup>1</sup> Section 71-75 and Schedule 5 of the Climate Change Act gave councils the power to pilot a waste reduction scheme, which allowed council to either provide a council tax rebate or charge residents for not recycling.

waste collection service, the introduction of wheeled bins or a promotional campaign. This made it impossible for the reviews to determine how much of an impact the reward scheme had had on the increase in recycling compared to the other recycling services being offered.

16. The Government believes “that rewards and recognition [schemes] can motivate people to take action”. To a degree this view is correct, participation surveys conducted by the Serco review found that reward based schemes were effective at motivating some recyclers to recycle more. However the majority of participants stated they already recycled and would recycle irrespective of whether they were rewarded or not and overall participation rates by non-recyclers were very low compared to recyclers. (Serco 2014, full p29-30,)
17. Even if reward schemes only persuade a proportion of householders to recycle, survey results from five different local authorities showed that 25% of residents said that recycling incentives would encourage them to recycle more (Serco 2014, p30).

#### **What Oxford does**

18. Oxford City Council does not provide reward based incentives to encourage householders to recycle. However, over the last 5 years it has embarked on several projects and campaigns to raise the profile of recycling within the city.
19. It is impossible to isolate how much of an effect one scheme has had on the recycling rate over another, as they are all happening simultaneously. Results must therefore be viewed holistically as a combination of all the campaigns that have run. **Appendix 2** shows Oxford’s recycling rate over the last 8 years and highlights when a major change to the service has taken place.
20. **Appendices 3 and 4** show a breakdown of Oxford’s recycling rate to a ward and a collection round level. Produced quarterly they allow the recycling team to monitor recycling levels across the city, and assist them in deciding which areas need targeted educational campaigns to boost recycling.
21. Expansion of the service  
Providing residents with the opportunity to recycle more of their waste has been the key to Oxford’s improved recycling rate. Moving to a comingled system, increasing the range of materials able to be recycled (i.e., electronics, food and batteries), expanding the opportunities of residents of flats to recycle and offering households’ 2 free bulky items collections

per year have all contributed to increasing the opportunity to recycle in the city.

22. The re-balancing campaign complements the waste collection service by making sure all residents have enough recycling bins. The programme involves the recycling team targeting a community and removing excess waste bins and providing additional recycling and food caddies. The recent campaign in East Oxford in 2013-2014 surveyed and door-knocked approximately 1,400 properties with unbalanced bins, it:

- Removed 114,900 litres of refuse space.
- Delivered 197,820 litres of extra recycling space.
- Reduced refuse by 61% and increased recycling by 120%.

23. Education and Promotion of Recycling

The need to promote recycling within Oxford is never ending as a quarter of Oxford's population moves every year and there is a constant need to re-educate newcomers on the importance of, and what can be, recycled.

24. With over 30,000 students living in Oxford, the recycling team have several continuing promotional and educational campaigns that target students. These include attending fresher fairs and colleges, door knocking and surveying student living in houses of multiple occupancy (HMOs) and encouraging student wardens to promote the need to recycle within designated areas. The "Moving Out Campaign" is a successful collaboration with the British Heart Foundation (BHF), in which unwanted furniture is collected from students when they move house and donated to the BHF to re-sell.

25. Continuing education of residents appears to be the best way to encourage non-recyclers and new residents to recycle. Despite Oxford's churn of new residents each year, the Council has continued to collect an additional 1,000 tonnes of dry recycling each year (Oxford City Council recycling tonnage).

26. Residents are also encouraged to recycle through campaigns, such as the Cleaner Greener campaign, which aim to promote the cleanliness of neighbourhoods. Weekend clean ups encourage residents and local groups to participate in a full litter sweep, and promoted dog fouling clean up and target problem areas in a neighbourhood. Local officers and the police attend to promote and educate the importance of recycling to all.

## **Conclusions on Incentives**

27. Results from most of the councils that have introduced a reward based recycling scheme are positive, with most seeing an increase in recycling and a decrease in waste to landfill. Yet the reviews were inconclusive about the exact impact of incentive campaigns on the recycling rate because it is impossible to separate the effect of the reward scheme from the other recycling services and programmes being run.
28. Reward schemes should be considered by councils as one tool of many in a recycling service. When offered alongside a comprehensive recycling services and promotional campaigns, they have proven to have a positive effect on encouraging people to recycle.
29. Oxford already offers an expansive recycling service accessible to most residents and runs several awareness campaigns promoting the merits of recycling. These service enhancements have increased the share of Oxford's waste that is recycled by a quarter in the last 5 years. It is possible that running a reward scheme could only increase Oxford's recycling rate.
30. The panel sees merit in trialling a small community incentive campaign across the city to motivate residents and promote the recycling service. Reward campaigns do not have to be expensive to be effective, but could be as simple as putting stickers on waste bins that encourage residents to recycle for charity. Every tonne of additional recycling collected (above an agreed threshold), could lead to a donation to the charity. The money for the charitable donation could come from the fee paid for recycling by the county council or, if there is a willingness to provide even stronger incentives, from the savings of £27,000 resulting from the disbanding of the Waste Strategy Partnership.
31. Local authorities need to offer a range of approaches to encourage residents to recycle, as not residents are motivated by the same thing. Education campaigns are more effective at encouraging non-recyclers, while the participation surveys supported the use of rewards to encourage some recyclers to recycle more.
32. The City's education campaigns appear to be working well to increase awareness and promote the service among new residents and hard to reach groups. With the Waste Strategy Partnership disbanding, the panel would like to see the money saved go towards targeted education campaigns, if it is not committed to the charitable donation scheme as outlined above.

### **Recommendation 1**

The Council should invest the £27,000 from the Waste Partnership Board into targeted education campaigns (to include flats) in partnership with the universities and student bodies to encourage recycling.

### **Recommendation 2**

The Council should trial a positive community incentive campaign consisting of stickers being placed on waste bins that encourage residents to recycle for charity. The campaign would make a donation to a charity chosen on an area basis for each tonne of extra recycling collected (above a threshold) and would be funded from the revenue generated through extra recycling.

## **Using Fines or charges to encourage recycling**

### **33. Legislation**

Section 46 of the Environmental Protection Act 1990 allows councils to fine people for not providing waste in the receptacles provided. s46(4d) goes on state that:

*“the authority may make provision with respect to ... the substances or articles which may or may not be put into the receptacles or compartments of receptacles of any description”.*

### **34. Compulsory Recycling Schemes**

Several London councils operate a compulsory recycling scheme that relies on the threat of a monetary fine to encourage residents to recycle. They are often run alongside a comprehensive promotional campaign and extensive recycling facilities. Personal visits and education are used to target households that are caught not recycling, with a penalty notice only being issued as a last resort. Councils that use compulsory recycling schemes have noticed an increase in the recycling rate but, because these schemes run alongside a promotion campaign, no evidence has been produced that can differentiate whether it's the promotion campaign or the threat of a fine that has contributed more to the recycling rate increasing.

35. Councils with compulsory recycling schemes have interpreted section 46 (4d) of the Environment Protection Act 1990 to mean that councils can fine residents who do not put recyclables into the recycling receptacle they are provided. However this interpretation of the statute has not been tested in court, nor have any residents been fined under the schemes (Environment Committee, 2011 p24).

## What Oxford does

36. Oxford does not actively fine people or promote the threat of a fine to encourage recycling. When a property is brought to the attention of the recycling team, they try to encourage them to recycle by visited them before venturing down the enforcement route.
37. In December 2012 Council changed its waste and recycling policy so that at “*all relevant sites, the Council shall seek to collect no greater quantity of waste from domestic refuse bins than from domestic recycling bins*” (Waste and Recycling Policy 2012) to encourage flats in the city to recycle. Although this is not a direct fine on privately owned flat owners, it did required them to purchase recycling bins for their flats or opt out of the council’s waste collection and get their waste collected by private waste contractor. Eighteen months on, most private flat managers now offer recycling facilities for their residents.

## Conclusions on Fines

38. Councils with compulsory recycling schemes use the threat of a fine to persuade residents to recycle, but they still rely on promotion campaigns and education to encourage residents to recycle. This appears very similar to Oxford’s current practice. As none of the councils with compulsory recycling schemes has fined anyone for failure to provide their recyclables in the correct bin or tested their interpretation of the statute in court, the panel feels there is no merit in investigating the threat of fines as a mechanism to encourage recycling further.

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### Background papers:

DEFRA, *Evaluation of the Waste Reward and Recognition Scheme -Emerging Findings*, Dec 2013

[http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=3&ved=0CD8QFjAC&url=http%3A%2F%2Fwww.brooklyndhurst.co.uk%2Fdownload%2F184%2F554972a1%2FBrook%2520Lyndhurst%2520-%2520RRF%2520Interim%2520report.pdf&ei=0uhLU-m6Euup7AbSmiHoBQ&usg=AFQjCNGfT6jDLxJWSzEm\\_O38w-BO4o6SOg&sig2=qOHhvZksUhfXzXZ-zCgdIWA](http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=3&ved=0CD8QFjAC&url=http%3A%2F%2Fwww.brooklyndhurst.co.uk%2Fdownload%2F184%2F554972a1%2FBrook%2520Lyndhurst%2520-%2520RRF%2520Interim%2520report.pdf&ei=0uhLU-m6Euup7AbSmiHoBQ&usg=AFQjCNGfT6jDLxJWSzEm_O38w-BO4o6SOg&sig2=qOHhvZksUhfXzXZ-zCgdIWA)

Environment Committee, London Assembly, *Carrots and Sticks – A review of waste financial reward and compulsory recycling schemes*, May 2011

<http://www.london.gov.uk/moderngov/documents/s4182/Appendix%201%20-%20Carrots%20and%20Sticks.pdf>

Serco *Investigating the Impact of Recycling Investigation Schemes* – Jan 2014

Summary Report\_

[http://www.eunomia.co.uk/shopimages/SER449\\_Incentives%20Report%2013.pdf](http://www.eunomia.co.uk/shopimages/SER449_Incentives%20Report%2013.pdf)

Full report -

[http://www.serco.com/Images/Serco%20Eunomia%20Incentives%20Full%20Report\\_tcm3-44276.pdf](http://www.serco.com/Images/Serco%20Eunomia%20Incentives%20Full%20Report_tcm3-44276.pdf)

## **Appendix 1**

### **Summary of reports**

DEFRA's report reviewed the results (so far) from 8 of the 28 local authorities that received Defra funding to implement incentive programmes in 2011. It focused on the impact the reward schemes had had on public participation rates and waste and recycling tonnage.

Serco's review drew on evidence obtained from over 30 different recycling incentives schemes operated by UK Local Authorities which were not funded under Defra's Recognition and Reward programme. The report focused on:

- The cost and benefits of the schemes that have been compared and evaluated;
- The impacts of recycling incentives benchmarked against 'Nearest Neighbours' to understand better whether the observed changes are attributable to the incentive scheme itself; and
- Conducted participant surveys to gauge resident preference and attitudes towards incentives.
- It found little difference in the impact on recycling rate between the two types of scheme, and concluded that success depended on Councils implementing a scheme that motivated their target audience.

The London Assembly's report reviewed the impact of reward based incentive schemes in several London Boroughs and whether the schemes were effective in improving the recycling rate. It

- Considered the impact of waste financial schemes on recycling performance
- Identified examples of best practice and lessons learnt
- Made recommendations on how such schemes might be applied to London.