

DECISION-MAKER:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
SUBJECT:	REWARDS FOR RECYCLING		
DATE OF DECISION:	21 MAY 2013		
REPORT OF:	DEVELOPMENT AND PERFORMANCE MANAGER		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Gale Williams	Tel: 023 8083 2536
	E-mail:	gale.williams@southampton.gov.uk	
Director	Name:	John Tunney	Tel: 023 8091 7713
	E-mail:	john.tunney@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None.			

BRIEF SUMMARY

The purpose of this paper is to firstly set out the reasons for introducing a reward scheme for residents that recycle correctly in Southampton in order to drive up the City's recycling rate and secondly, to explain how the scheme is intended to work.

In November 2012, the Council was informed that it would receive funds from the Department for Communities and Local Government (DCLG) to retain weekly collections until 2017. Included in the bid was funding for a reward scheme.

Since then, in conjunction with Portsmouth City Council, market research has been commissioned to better understand local recycling behaviours and how a 'reward' might motivate residents.

A simple reward scheme is recommended, which uses current in-cab technology (Bartec) to feedback about residents' recycling behaviours by round, using a traffic light system. This is linked to a prize draw and a reward to the value of £30 is made to 22 residents each month in phase 1. There are two phases to implementation of the reward scheme; phase 1 would be houses and commence July 2013 and phase 2 would be flats and commence November 2013.

RECOMMENDATIONS:

- (i) To implement a reward scheme for houses in phase 1;
- (ii) To implement a reward scheme for flats in phase 2; and
- (iii) To delegate authority to the Director of Environment and Economy following consultation with the portfolio holder for Environment and Transport, to undertake any work necessary within approved budgets and subject to compliance with Contract and Financial Procedure Rules, to deliver the implementation of the reward scheme outlined in this report.

REASONS FOR REPORT RECOMMENDATIONS

1. With funding from the weekly collection support scheme (WCSS), it is expected Southampton City Council will introduce a reward scheme for its residents to encourage them to recycle better and recycle more of their household waste.
2. Research from Defra informs us that by rewarding residents who recycle their waste, it is anticipated that reward and recognition will bring about behaviour change and increase Southampton's recycling rate.
3. There is growing thought that it is better to reward householders for doing the right thing with their waste than to penalise them for doing the wrong thing. Southampton's recycling rate is currently 26%. Industrial action and the recession have impacted on our recycling rate. The national target for England is 50% by 2020, so clearly the City has a challenging target to reach. There are also financial incentives to recycle more as the cost of waste disposal increases.
4. There is opportunity to work with local businesses to develop a sustainable reward scheme once funding from the WCSS ceases.
5. The scheme proposed is low cost and uses infrastructure and working practices already in place.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. A number of incentive schemes such as RecycleBank, Green Points and Nectar Points have been considered. They have been developed based on residents accumulating points/rewards if they recycle correctly. These points/rewards are accumulated and can then be spent on local discounts/offers/community projects or used to offset shopping costs or to access recyclable goods via an on-line platform. These schemes rely on waste disposal savings for their funding and with Southampton's disposal costs being low compared to the authorities introducing the above schemes, the level of savings generated in the City would not be enough to fund any of these types of schemes.

DETAIL (Including consultation carried out)

7. The overarching purpose of a rewards scheme is to increase the quality of recyclables thus reducing contamination. It will also support the following objectives:
 - Increase the recycling participation rates of households
 - Increase tonnages of recyclables
 - Increase the range of materials that are recycled by residents
 - Increase recycling in flats and in areas of low performance
 - Decrease residual waste tonnages and thus make a saving on disposal costs.
8. Southampton's reward scheme will:
 - Be a local scheme that is not points based
 - Reward residents that recycle the right materials
 - Not be overly bureaucratic and take significant administration

- Be a scheme that can be easily publicised
 - Enable low performing areas of the City to be targeted
 - Utilise current infrastructure e.g. in-cab technology
 - Not be high cost and could be continued at a reduced rate after WCSS funding ceases.
9. The reward scheme will be a free entry prize draw and residents will need to inform us if they do not wish to take part. Residents opt out of the scheme rather than opt into the scheme. A prize draw is favoured because it is not asking for payment to enter (this then becomes a lottery) and it does not require skill, judgement or knowledge which would prevent a significant proportion of people who wish to participate from doing so.
 10. It will be based on issuing up to 22 prizes per month in phase 1, for the 11 recycling rounds we currently have – 2 prizes per round. The number of prizes can be increased or decreased. With the introduction of glass recycling later in the year there will be a small increase in the number of collection rounds. It is round based in order to make the scheme manageable and also link to the in-cab terminals. It also means that residents across the City have a chance to participate in the scheme.
 11. The Bartec in-cab terminals are able to record events against properties that recycle. Red events will be used to record if the recycling is wrong. This is based on the visual assessment made by the crew at the time of collection.
 12. Only households that receive two green events during the month for correctly recycling will be entered into the prize draw. Households that have any red events during the month will not be eligible but would be eligible the following month if they have two greens. If a resident is on holiday or does not put their bin out for collection, they will not be entered into the prize draw for the relevant month.
 13. Verification that the reward was appropriate would be undertaken before the reward was confirmed. All residents that are eligible for a reward will be contacted so they know their container is being checked for evidence of correct recycling before the actual reward is made. The recycling officer or group leader will check the container prior to collection. The reward will be made in arrears.
 14. Consultation with residents has been undertaken across the City through market research using telephone interviews. One thousand interviews have taken place, which included 300 mobile phone users. Over 50% of respondents in Southampton would rather have a smaller reward for a larger number of people than a larger reward for fewer people. Those interviewed are also interested in raising money for charity or local community projects.
 15. Analysis of the market research for both Southampton and Portsmouth indicates that the top three reasons resident are more likely to recycle are to:
 - i. Help save the environment / do the right thing'
 - ii. Raise money for charity or local community projects'.
 - iii. Help the council reduce costs

For these reasons, it is intended to offer residents that are eligible for a reward a menu of rewards to choose from that includes vouchers for local shops, Southampton City Council facilities discounts, garden waste

subscriptions, composter / digesters for example, alongside the opportunity to donate their reward value to charity or a local project. Rewards will be to the value of £30. The reward menu is outlined in Appendix 1.

16. The proposal would be to develop an agreed list of charities / local projects that can be selected by residents.
17. The value of rewards has been suggested following the result of market research and the need to make the reward 'worth having', balanced with need to keep the overall scheme low cost. We will also explore adding value through local partnerships with retail outlets to make the scheme sustainable.
18. Two phases of implementation are proposed: phase 1 would be houses and commence July 2013 and phase 2 would be flats in November 2013.
19. The implementation of a rewards scheme for residents living in flats will take longer due to the complexities around enabling rewards for residents who share communal bins. The key idea currently being developed is a sticker scheme that requires residents who live in flats to opt in and register. They will then receive a pack of referenced stickers and be asked to place a set number of stickers on items they recycle each collection. Random items would then be chosen by officers and winners then notified.
20. This type of project is being operated successfully by five councils in the North East: County Durham, Newcastle, Northumberland, South Tyneside and Sunderland, and is running until June 2013. We are also developing the possibility of a communal reward scheme for flats.
21. The scheme needs to integrate into our overall waste transformation marketing campaign and build on the need for residents to have more information about what and how they can recycle. Market research feedback informs us that customers are still confused about what can and can't be recycled. It will need to have distinctive visual branding. The scheme could be called 'Rewards for Recycling' or a catchy title developed that links to the key reasons people in Southampton recycle (see paragraph 15).

RESOURCE IMPLICATIONS

Capital/Revenue

22. The approximate total cost of the scheme for an initial two year period, commencing in July 2013, is £38,000 as shown in the following table:

Activity	Year 1	Year 2
Market Research	£12k	£1k
Communications	£5k	£2k
Phase 1 (houses) - 2 x £30 rewards per month for 11 rounds	£8k	£8k
Phase 2 (flats) - 2 x £30 rewards per month for 2 rounds (commencing November 2013)	£1k	£1k
Management of scheme	Costs included in current job roles	Costs included in current job roles
Yearly Total	£26k	£12k

The costs will be funded by the weekly collection support scheme. Any decision to extend the scheme beyond two years will be the subject of a future report to Cabinet.

Property/Other

- 23. No property implications identified

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- 24. Section 1 of the Localism Act 2011 (the ‘general power of competence’) empowers the Council to do anything that a private individual or body could do subject to any pre or post commencement limitations (none of which apply in this case). It is considered that the proposals set out in the report fall within the scope of the general power of competence.

Other Legal Implications:

- 25. Bins issued to residents for the purposes of weekly collections remain the property of the Council. When bins are placed on the public highway for collection, the ownership of their contents transfers and the Council is entitled to inspect bins to ensure they comply with the requirements of the Environmental Protection Act 1990 (which empowers a Council to determine the type of Household Waste that may be placed in a specified receptacle / bin). The reward programme requires follow up checks on potential reward recipients’ bins. Where such checks need to take place on the resident’s property, the resident will receive a letter/ email / telephone call advising them of the arrangements for inspecting a bin. Any resident that refuses to allow the Council to enter onto their property for the purpose of inspecting a bin, will be ineligible for a reward under the terms and conditions of the reward programme and their bin may be subject to further inspections when next placed out for collection.

POLICY FRAMEWORK IMPLICATIONS

- 26. All wards in the City will be able to take part in the rewards scheme. The recommendations contained in this report are in line with the Council’s Policy Framework.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All wards
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SUPPORTING DOCUMENTATION

Appendices

1.	Rewards Menu
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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