

CONSULTATION PAPER ON THE INCENTIVES FOR RECYCLING BY HOUSEHOLDS

1. INTRODUCTION

- 1.1 This report sets out a draft Council response to a Government consultation paper on incentives for recycling. The consultation paper forms part of the Waste Strategy for England 2007 which was published recently by the Department for Environment, Food and Rural Affairs (DEFRA). The deadline for responses to the consultation is 16 August 2007.

2. RESPONSE TO THE CONSULTATION DOCUMENT

- # 2.1 The suggested response to the DEFRA consultation paper on incentives for recycling is given in Appendix 1. Appendix 1 sets out the Council's stance on financial incentives for recycling and responds to the consultation questions. The main issue discussed in the consultation is the use of direct charging for household refuse collection as a means of encouraging recycling and waste minimisation and as a means of making the cost of waste management more transparent to the householder.
- 2.2. The Government is proposing recycling incentives as a means of promoting recycling and waste minimisation, so as to reduce the amount of household waste going to landfill. There are other actions that the Government could take to reduce landfill. New Forest District Council has achieved a 30% recycling rate and more than 80% of the refuse we collect goes to the Energy Recovery Facility at Marchwood where it is burnt to produce electricity. Because of this, there is no great urgency for New Forest District Council to introduce a financial incentive scheme.
- # 2.3. The Government is suggesting that local authorities should be given the power to introduce charging schemes for household waste that would be revenue neutral. This means that the net income gained by the Council from the introduction of a charging scheme for household waste would be balanced by a corresponding reduction in Council Tax. See Appendix 1 Question 4.
- 2.4 The Waste Strategy for England 2007 proposes that local government would be able to introduce household financial incentives for waste reduction and recycling. Such schemes are operational throughout Western Europe. In England, local authorities will have the option to introduce financial incentives. Local authorities would be free to design their own schemes, provided they meet Government requirements and provided that they take steps to address the possible disadvantages of financial incentives, such as increased fly tipping.

3. FINANCIAL IMPLICATIONS

- 3.1 In the Council's response to the consultation document we have made it clear that the introduction of a financial incentive scheme could significantly increase the cost of dealing with fly tipping. The cost of enforcing and administering the scheme should also not be underestimated.

4. ENVIRONMENTAL IMPLICATIONS

4.1 The aim of introducing a financial incentive scheme is to increase recycling and reduce waste. This will benefit the environment. It is likely that the introduction of a financial incentive scheme would result in an increase in littering, fly tipping and an increase in the inappropriate use of litter bins as householders seek to avoid waste collection charges. These actions would harm the local environment.

5. CRIME AND DISORDER IMPLICATIONS

5.1 As stated in Section 4.1, the introduction of financial incentive schemes could lead to an increase in fly tipping. If a financial incentive scheme is to be considered for the New Forest then it would be essential to allow sufficient resources to enforcement for the scheme and to dealing with fly tipping.

6. EQUALITY AND DIVERSITY IMPLICATIONS

6.1 The consultation document makes it clear that local authorities that introduce financial incentive schemes must make provision for the needs of particular groups that could be disadvantaged, such as families with young children.

7. PORTFOLIO HOLDERS COMMENTS

7.1 The Portfolio Holder views the consultation document with a great degree of misgiving and feels it is fundamentally flawed. Further he considers the proposals inappropriate for the New Forest at this time.

8. CONCLUSION

8.1 The suggested response to the DEFRA consultation on incentives for recycling
by households is given in Appendix 1. The Government is proposing that local authorities should be given the power to introduce financial incentive schemes. Local authorities will be free to decide whether or not they wish to introduce a financial incentive scheme in their areas and will be able to design schemes which are suited to local needs.

9. RECOMMENDATION

9.1 It is recommended that Cabinet consider the draft response to the consultation paper on incentives for recycling given in Appendix 1.

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Background Papers:

Waste Strategy for England 2007
Consultation on Incentives for Recycling by Households
defra.gov.uk/environment/waste/strategy/index.htm

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NEW FOREST DISTRICT COUNCIL – RESPONSE

New Forest District Council welcome the opportunity to comment on the consultation on recycling incentives. We consider that the aim of the proposed recycling incentives is to reduce the amount of household waste going to landfill and this is something that we fully support. We do not think that the introduction of the types of recycling incentives suggested in the consultation will be the most effective means of reducing the amount of household waste going to landfill. New Forest District Council will be open to accepting more powers to promote recycling, but we do not consider that the proposed recycling incentives will be particularly cost effective.

The consultation document pre-supposes that there is general agreement on variable charging for refuse collection. There is insufficient opportunity within the consultation document to set out the arguments for and against charging. To that extent, the consultation document pre-judges the debate about charging. We do not consider that the measures described in the consultation document will be sufficient to change householder behaviour. There are more effective measures that could be given to local authorities.

Waste collection, recycling and waste disposal is a nationwide service. There is already significant variation between refuse collection and recycling systems across the country. Some Council's use sacks, others use wheelie bins and other use recycling boxes. There is also a variation in what is collected for recycling in different authorities. The introduction of charging systems could further fragment waste collection, recycling and waste disposal systems. There could be variations in charging policies between different Councils as well as differences in charges. This could cause confusion when people move from one part of the country to another.

Question 1:

Do you agree that local authorities should have the power to introduce financial incentives for promoting recycling and reducing household waste? Why?

We agree that local authorities should have the power to introduce financial incentives for promoting recycling and reducing household waste. It is important to stress that there should be no compulsion for local authorities to introduce financial incentive schemes. The consultation document pre-supposes that there is general agreement that the introduction of financial incentives will be necessary in some areas. Although we agree that local authorities should have more powers to promote recycling, we do not consider that financial incentives are necessarily the best solution. Local authorities have invested time, effort and expense into kerbside recycling schemes. In certain circumstances it may be appropriate for local authorities to introduce financial incentives to encourage participation in kerbside recycling. Financial incentives may also have the effect of encouraging waste minimisation.

Question 2:

- a) Do you agree that a power to introduce financial incentives would help local authorities to meet their recycling targets and their obligations under the Landfill Allowances Trading Scheme?

We do not agree that the case for financial incentives has been proven. We consider that the power to introduce financial incentives would help local authorities to meet their recycling targets and their obligations under LATS only if they form part of a package of measures to encourage recycling. Consideration must be given to the “side effects” of introducing financial incentives, such as increased fly tipping and illegal disposal of waste. To make the introduction of financial incentives effective, these need to be complemented by extensive and convenient recycling schemes and effective measures to tackle waste at source so that householders have a real opportunity to reduce their waste. We consider that the degree of financial incentive suggested in the consultation paper will not be sufficient to change householder behaviour. For financial incentives to be effective, the householder would need to be able to save a significant proportion of their Council Tax expenditure through recycling and waste minimisation. A rebate of £30 per year would not be sufficient.

- b) Are there other barriers that Government could address to help authorities boost recycling and meet their obligations under the Landfill Allowances Trading Scheme?

There are numerous barriers that the Government could address to help authorities boost recycling and meet their LATS obligations:

- *Stronger legislation is needed to tackle excess packaging.*
- *Action to tackle sections of the economy that encourage excess consumption, such as junk mail, the fashion industry, supermarkets etc.*
- *Further encouragement for home composting.*
- *Policy instruments to encourage the construction of energy from waste plants.*
- *Further fiscal measures to discourage landfill and encourage energy from waste.*

Waste collection authorities may not be keen to introduce financial incentive schemes because they will incur all the operational costs, but most of the benefits will accrue to the waste disposal authorities in reduced waste disposal costs. A framework for sharing costs and benefits will be necessary for effective implementation.

Question 3:

Do you agree with that a waste financial incentive with net neutral impact upon local residents (Option C) is the best of the three options outlined in paragraph 5.2?

Out of the three options described, Option C appears to be the only practical viable option. New Forest District Council has severe reservations about some of the possible implications of financial incentives. Firstly, there could be an increase in fly tipping and additional resources will be required by local authorities to deal with fly tipping and to enforce regulations. Secondly, the requirement for a recycling scheme collecting at least 5 materials will be onerous and could result in additional cost and additional vehicle movements. At present New Forest District Council provides every household in the District with a co-mingled collection of paper, cardboard, cans and plastic bottles. This would mean that we would have to introduce a separate household glass recycling collection in order to meet the criteria of recycling 5 materials. Thirdly, the cost of administration for a financial incentive scheme could be considerable and could result in a massive increase in bureaucracy.

It is important that the difficulties of implementing a financial incentive scheme are not underestimated. The result of balancing the reduction in waste disposal costs against the increased costs of administration and enforcement could be a relatively modest financial saving overall.

Question 4:

- (a) Do you agree that any financial incentive scheme should be revenue neutral?

We agree that any financial incentive scheme should be revenue neutral and should not be used to raise revenue for the Council. It is important to take into account all of the costs associated with the introduction and implementation of a financial incentive scheme. These costs would include:

- *Technology to weigh individual refuse bins.*
- *Computer systems to record bin weights and generate invoices.*
- *Administration of customer databases.*
- *Systems for dealing with rented property and houses of multiple occupation.*
- *Systems for dealing with disputes and bad debts.*
- *Enforcement.*
- *Publicity and promotion.*

- (b) Do you agree with the Government's definition of revenue neutrality?

We do not agree with the Government's definition of neutrality. We consider that fly tipping, in particular, will be a significant additional cost that needs to be taken into consideration when balancing costs against revenue.

- (c) Do you agree that local authorities should be free to determine the level of charges under a financial incentive scheme?

We agree that local authorities should be free to determine the level of charges under a financial incentive scheme.

QUESTION 5:

Apart from the "recycling incentive scheme", what other models might meet the aim of incentivising behavioural change without increasing the overall cost to local residents?

There is a lot that could be done by the government to encourage recycling, such as:

- *Stronger regulations to reduce packaging.*
- *Clear marking on packaging to indicate whether it can or cannot be recycled.*
- *Action to reduce junk mail.*
- *Action to limit the distribution of items such as yellow pages to on-demand only.*
- *Taxation and regulations to discourage the use of disposable items.*
- *Action to discourage food waste.*
- *Action to tackle waste in the fashion industry.*
- *Publicity and public awareness campaigns.*

QUESTION 6:

- a) If the Government were to allow financial incentives, what requirement should the Government place on local authorities as regards:

- i) existing recycling services – do you agree with the proposal to require authorities to offer a recycling/composting service for at least 5 waste streams to any household covered by a financial incentives scheme?

Although we agree with the requirement for a recycling scheme for at least 5 waste streams, there should be sufficient flexibility to determine this at local level. We are concerned at increasing the carbon footprint if additional vehicles to collect additional waste streams are introduced to meet an unnecessary target. In Hampshire waste is going to energy from waste plants.

- ii) waste crime strategies, and

Waste crime strategies are very important. At present, we do not consider that local authorities have the power or the resources to deal effectively with fly tipping. A dedicated enforcement team will be needed to combat fly tipping in areas where financial incentives are introduced and it may be more effective if this enforcement team is employed either by the Police or by the Environment Agency. New Forest District Council are particularly concerned that the introduction of financial incentives in urban areas adjacent to the New Forest could lead to an increase in fly tipping in our area.

- iii) disadvantaged groups?

Strategies to deal with disadvantaged groups need combine concessions with education programmes.

- b) How far should these issues be determined by the Government, and how far at local level?

Government policy needs to be sufficiently flexible to meet local needs, but it is important that those authorities choosing to introduce financial incentives have the backing of Central Government for example the Government needs to be unequivocal in its support of alternate weekly collections, so that Councils have a clear mandate to introduce this system.

QUESTION 7:

- a) Do you agree that waste disposal authorities should have the power to implement financial incentive schemes at civic amenity sites?

We consider that waste disposal authorities should be able to implement financial incentives at civic amenity sites in areas where the waste collection authority has introduced a similar scheme. It is important that financial incentives introduced for refuse collection are linked to financial incentives at civic amenity sites, otherwise there could be a transfer of waste from one disposal route to another – without any overall reduction.

- b) If so, how could financial incentives be administered at civic amenity sites?

Financial incentives at civic amenity sites could include gate fee which is reduced if the householder brings recyclables to the site. It is important to come up with a system that does not unintentionally lead to an increase in fly tipping.

QUESTION 8:

Are there other issues that Government needs to consider concerning financial incentive schemes?

There are a number of major issues that the Government needs to consider concerning financial incentive schemes.

- *The benefits of such schemes in terms of reduced waste may not be worth the cost in terms of additional administration, enforcement and increased fly tipping.*
- *The marginal cost to the householder of putting out extra waste may not be sufficient to discourage waste disposal.*
- *The savings to the householder, as a proportion of Council tax, may be relatively small and may be hidden by an overall increase in Council Tax.*
- *Disputes about refuse may increase tension in communities.*
- *There could be increased litter and fly tipping.*
- *Recognition in terms of recycling performance. Authorities who use energy from waste plants and home composting to reduce landfill.*
- *The possibility of an increase in fly tipping in areas adjacent to those where financial incentives have been introduced.*

QUESTION 9:

Are there any other powers, currently not available to local authorities, that would help them:

- a) encourage greater recycling and waste minimisation by households and

Local authorities have an important role in encouraging greater recycling and waste minimisation, but there is much more that can be done at a national level. For instance, stronger regulations on packaging could reduce waste and make recycling easier.

- b) manage waste more effectively and efficiently?

The following measures would promote more effective and efficient waste management:

- *Coherent strategies for dealing with commercial waste (particularly waste from small businesses) to avoid duplication of services.*
- *Effective measures to deal with environmental crime, particularly littering, fly tipping and vehicle crime.*
- *Better design of products and packaging so as to make recycling easier.*
- *Encouragement for the manufacture of durable items that can be repaired and re-used.*