



**Friends of
the Earth**

Consultation on Incentives for Recycling

Response from Friends of the
Earth

August 2007

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<http://www.foe.co.uk/campaigns/waste/>

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- a unique network of campaigning local groups, working in more than 200 communities throughout England, Wales and Northern Ireland
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Introduction

Friends of the Earth welcomes this opportunity to comment on the Government's proposals for incentives for recycling.

We believe that waste policy should be aiming to improve the UK's resource efficiency, and minimise our climate impacts, by maximising prevention, reuse, recycling and composting, and by gradually phasing out residual waste.

We therefore support the concept of providing financial incentives for people to minimise the residual waste they generate, subject to a number of provisos. We made this clear in our response in 2006 to the Government's consultation on the England Waste Strategy – the relevant section of our response is repeated in Appendix 1, on page 7 of this document.

Our detailed response to the questions that the Government poses are in the next section. It is worth making it clear at this point that we broadly welcome what the government is proposing.

However, we are concerned that there may be some truth in the points made by the House of Commons Communities and Local Government Committee in their recent report querying whether the government's preferred – revenue neutral – system will give councils enough incentive to implement such an approach (See Appendix 2 of this document for an extract of the Committee's conclusions and recommendations).

Response to questions posed

Question 1: Do you agree that local authorities should have the power to introduce financial incentives for promoting recycling and reducing household waste? Why?

Yes. This has been shown to incentivise people to increase the amount of recycling and composting they do, and also seems to reduce the amount of waste produced.

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?

Yes.

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

- More funding for quality recycling schemes (e.g. kerbside separation), and facilities such as anaerobic digesters.
- Development and communication of best practice for recycling schemes, as part of a move to having fewer systems and therefore making it easier to inform the public of their responsibilities.
- Increasing the recycling targets in the packaging directive, thus ensuring that packaging becomes more recyclable, and helping to support the market for this recycling.

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?

Whilst we would agree that option C is a cunning way of reducing potential political controversy, we are not convinced that the benefits to Councils are sufficient for them to wish to go to the trouble of implementing such a system. The House of Commons Communities and Local Government Committee came to a similar conclusion (see Appendix 2).

Given that many other countries manage to have a system which is not revenue neutral, i.e. similar to Option B, it is not clear why this could not be possible in this country.

The public is used to paying for utilities such as gas and electricity. We also note that there is support among the public for being rewarded for recycling, with DEFRA's latest survey of public views [1] finding that 52 per cent of the sample strongly agreed or tended to agree that they "would favour a system that rewarded them if they recycled everything they could and penalised them if they didn't". Only 24 per cent of the sample strongly disagreed or tended to disagree with this statement.

Question 4:

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

Whilst this is one way of designing the system, we are not convinced that it would be adopted by a large number of councils, as there is too little incentive for councils to do so.

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

If a council has to pay for the running of the scheme from outside the revenue raised by the scheme (as proposed by the Government), this would seem to be an additional discouragement for Councils to implement an incentive system.

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

Yes – but they must consult local residents properly and ensure that there is a proper debate.

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?

As mentioned in the consultation document, compulsory recycling has shown success in Barnet, though such schemes should be implemented with care, and should focus initially on education and visits rather than enforcement.

Some progress has also been shown from schemes that reward individuals/streets etc who are particularly good at recycling.

We would also suggest that good quality recycling schemes – for example kerbside separation – can be used to boost recycling rates, as they give people confidence that recycling is really taking place. Conversely, it is essential that every effort is made to ensure that all recyclables are recycled under good conditions – scandals regarding recycling being processes in poor conditions in the developing world are not going to improve confidence or participation.

Question 6: The Government's view is that it would be essential for local authorities to have good recycling services, fly-tipping prevention and enforcement strategies and measures to help disadvantaged groups in place before introducing financial incentive schemes. Good communication with local communities before the implementation of any scheme will also be critical.

We would also strongly support this view.

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? ii) waste crime strategies, and iii) disadvantaged groups?

(i) Yes, at least 5 streams should be recycled (including food waste)

(ii) Yes, clear waste crime strategies must be in place, with feedback from local residents used as one method of determining their success

(iii) Yes, systems must be in place to ensure that disadvantaged families are not discriminated against.

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

The Government should set clear parameters that must be met by local government.

Question 7:**a) Do you agree that waste disposal authorities should have the power to implement financial incentive schemes at civic amenity sites?**

Yes, otherwise waste could be diverted to such sites.

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

We would want to see a system which penalised mixed waste & rewarded delivery (e.g. through no charge) of separated waste which can be recycled.

For example, mixed building waste would be charged for whilst building waste that had been separated into different recycling streams would be free. This could be an important contribution to reducing the amount of residual waste generated by civic amenity sites.

Question 8: Are there other issues that Government needs to consider concerning financial incentive schemes?

This scheme will only be effective if sufficient councils decide to adopt it, otherwise it will be just a theoretical power.

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**

No comment at this point

b) and manage waste more effectively and efficiently?

A power to intervene in the commercial and industrial waste market, e.g. the ability to ensure that all players are offering adequate recycling facilities.

Appendix 1: Friends of the Earth's comments on variable charging in our response to the Government's consultation on the England Waste Strategy in 2006

For the full text of our response, see:

http://www.foe.co.uk/resource/consultation_responses/waste_strategy.pdf

Question 9: Are there further tradable allowance (or other) schemes that could be developed to help the market deliver environmental outcomes more efficiently?

Friends of the Earth would like councils to be given the powers to implement charging schemes for householders to encourage waste prevention, reuse, recycling and composting. Charging householders for the amount of waste they put out for disposal has the potential to dramatically change the way individuals perceive their waste production and how they manage it. Variable charging schemes have been implemented in many European countries including Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg and Sweden, and have had a significant impact, increasing recycling by 30-40 per cent [2].

Many reports have shown that variable charging experiences in other European countries have led to both a reduction in residual waste collected and increases in the amount put out for recycling [3,4]. A report carried out for CIWM found that the residual waste collected falls, by about 10-25 per cent. In fact in weight based systems 30 per cent reduction was not uncommon [5]. This report also showed that direct charging schemes can help reduce levels of residual waste to less than 150kg per inhabitant. In the UK, currently average is 400kg per inhabitant.

There has been some debate whether we can incentivise householders to reduce waste rather than penalise them. In a recent report carried out by Corus [6] the threat of penalties was found to be more effective than the reward system. Nine authorities had tried introducing the threat of penalties, and all who had introduced this measure found it to be effective. The London Borough of Barnet, the first council to introduce compulsory recycling backed by fines, said it had been contacted by 80 other authorities. The scheme went borough-wide in March 05, after a year's pilot in four wards from 1st April 2004. Over those two years, recycling has risen from nearly 17 per cent to 29 per cent of waste.

A recent survey found that many councils would be keen to set up charging schemes if they had the power to do so [7]. A survey of 87 recycling and waste management officers and managers in local authorities found that nearly 40 per cent would introduce separate waste charging schemes for households. The respondents also believed this action would increase householder awareness of the cost of waste collection and disposal, make people responsible for their waste and promote waste prevention and recycling. To ensure that these schemes can be put in place fairly there need to be good doorstep collection schemes in place for recyclable and compostable materials and good alternatives, such as reusable nappies for avoiding non-recyclable waste. Friends of the Earth believes that systems must be designed to avoid a disproportionate impact on low-income families. However, this issue could be addressed through a rebate system similar to the one in operation for the council tax. Initially, there may be an increase in fly-tipping, but research shows this has not been a major problem in other countries. Putting in place high fines for fly-tipping helps to avoid the risk.

Variable charging schemes need to be developed with the support of the public so we are calling on the Government to give local authorities the power, but not a requirement, to develop schemes appropriate to their local situation.

Appendix 2: Relevant comments from the House of Commons Communities and Local Government Committee report on “Refuse Collection”

In their recent report on “Refuse Collection” [8], the House of Commons Communities and Local Government Committee made a number of pertinent comments on the proposed charging scheme, in particular on what will actually be the incentive for local authorities to implement such incentive schemes.

This is the relevant section of their conclusions and recommendations:

17. Revenue-neutral financial incentive schemes aimed at improving local recycling will raise no money for councils and will therefore do nothing to help them manage their waste budgets in the face of rising costs. Indeed, since ‘revenue-neutral’ does not mean ‘cost-neutral’, and since any scheme introduced by a local authority will require substantial administration and enforcement costs, they may in practice, run directly counter to the intentions Sir Michael Lyons expressed in recommended local charging schemes, by adding a further cost to the growing burden local authorities must carry.

18. It is hard to see how a resident faced with a ‘financial incentive scheme’ bill for even the indicative £30 contained in the Government’s consultation will see it as anything other than a charge, or a tax.

19. It is hard to see why any council will want to set up a complicated charging scheme that earns it no money and risks widespread public disapproval.

20. We recommend that the Government clarify how financial incentive schemes for recycling will interact with council tax. We seek a detailed explanation of why the introduction of incentive schemes should not be accompanied by reductions in council tax. In particular, we are concerned by the suggestion that schemes “should not” require additional funding from council tax. Whether a local authority raises or reduces its council tax to fund schemes or incentives to local householders is a matter for individual councils.

21. The Government recognises the risk that new financial incentive schemes to increase recycling and minimise waste may result in more fly-tipping or in people attempting to cut their bills by putting their rubbish in their neighbours’ bins. We are not convinced that enough work has been done or guidance given to local authorities on how to prevent such risks from blighting areas and causing disputes. Nor are we convinced that local authorities already faced with increasing waste costs will be adequately funded to deal with increased administration, clear-up and prosecution costs.

22. We welcome the Government’s recognition that specific groups, such as large families or those on council tax benefit, should not be disadvantaged by the introduction of financial incentive schemes for increased recycling and waste reduction.

23. The Government needs to clarify what will happen to householders who refuse to pay additional charges levied under any new financial incentive scheme. Given the small sums involved, prosecution seems an unlikely answer. Given the impact on other householders, councils cannot be allowed not to collect rubbish left out by non-payers. We are unconvinced that councils possess any adequate sanction against refusal to pay and question whether that might not substantially undermine schemes that local authorities may wish to introduce.

24. The financial incentive schemes proposed by the Government offer individual householders very little reward for good behaviour and offer councils no immediate financial incentive. We cannot believe that giving some households £20 or £30 a year will remotely outweigh the negative psychological impact of making other households pay more for a service they believe they already pay for through taxation. Breaking the link with council tax and establishing refuse collection as a utility, like gas or sewerage, might have the radical impact the Government say they want. The half-hearted tilt in the direction of charging contained in their current proposals will not.

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