

**Agenda item:**

**Title of meeting:** Environment and Community Safety Decision meeting

**Date of meeting:** February 5<sup>th</sup> 2014

**Subject:** Incentives to recycle - update

**Report by:** Head of Transport & Environment

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

- 1.1. To update the portfolio holder on the incentives scheme detail, the launch, and the strategy moving forwards.

**2. Recommendations**

- 2.1. That Members acknowledge the progress of the BIG Recycle reward scheme and support the further promotion of the campaign.
- 2.2. Members approve the re-profiling of the budget as laid out in table 9.3.

**3. Pre-launch activity**

- 3.1. After funding was approved to implement a recycling rewards scheme officers worked closely with the council's communications team to develop a strong branding for the campaign.
- 3.2. The *campaign* aims to increase recycling rates in the city and will use a recycling rewards *scheme* as a tool for resident engagement.
- 3.3. Due to tight timescales focus groups were held internally with various council officers. The feedback, below, was used to create the branding design and the campaign title, Portsmouth BIG Recycle, as seen in Appendix 1;
- 3.3.1. It was important to include Portsmouth or Pompey in the campaign title to engage residents and help them feel ownership
- 3.3.2. The cash in the wheelie bin was popular, as it gave a clear overview of what the scheme was about very simply
- 3.3.3. Having the prize(s) very prominent on the poster was eye-catching

3.3.4. Dark blue/black backgrounds were more unusual and striking

3.3.5. Don't over clutter with text or graphics, keep it simple

3.4. In the current economic climate it was agreed by officers and members that the spend-to-save message needed to be clear and that the scheme was externally funded from the government's Department for Communities and Local Government (DCLG). The message was delivered in all launch communications, an example of which is in Appendix 1.

3.5. With assistance from the council's new business officers, partnering with a local business was explored to partially fund and manage some of the rewards of the scheme.

3.6. Despite positive responses during soft market testing, the procurement exercise failed to deliver a suitable partner. Whilst this is something officers would like to explore again when the scheme is more established, it was decided best to launch the scheme with the council being the sole provider of the rewards.

3.7. Following the attraction of a premium bond tiered prize system and research indicating that residents would rather have more chance of winning smaller prizes, the following monthly rewards were decided:

3.7.1. Top tier: 1 x £250

Second tier: 20 x £75 Love2choose gift cards

Third tier: 60 x £25 Love2choose gift cards

3.8. Love2choose gift cards were chosen as having a choice of places to spend rewards was important in incentivising. They can be spent at 85 leading, national retailers and can be exchanged online for single vouchers for places such as Amazon, iTunes and Marks and Spencer.

3.9. Market research indicated that residents would be encouraged to recycle more if it could benefit local charities or organisations. The BIG Recycle has therefore partnered with the Lord Mayor's Appeal to allow for this.

3.10. To enable the campaign to have maximum impact, a recruitment exercise delivered two additional Environment Recycling Officers (EROs) and one marketing and communications officer. This forms the BIG Recycle team along with the existing ERO team and project management from Emma Cole.

#### **4. Reward scheme details**

4.1. The BIG Recycle is open to all households in the city; whether this is a house or a flat. The household can only be registered once.

4.2. After seeking legal advice, Council staff are permitted in the scheme with the only exception of the project team and board members, councillors and strategic directors. It was decided that it may attract criticism if these parties were winners.

4.3. The scheme can be explained through three overarching components; Register, Recycle, and Reward.

#### **4.4. Register**

4.4.1. To be in the monthly prize draw residents need to register. This gives residents a "call to action" and encourages them to become engaged with the campaign. Each household can only register once for the rewards scheme.

4.4.2. The scheme has a dedicated website, [bigrecycle.portsmouth.gov.uk](http://bigrecycle.portsmouth.gov.uk), which holds a link to a simple registration form held on surveymonkey and also has a dedicated phone number, 023 9243 7843.

4.4.3. Residents can complete the form themselves by going through the website or can call for Transport and Environment group admin to take their details and complete the online form on their behalf.

4.4.4. EROs will also be attending events around the city and doorknocking individual properties, at which point they can directly sign households up to the scheme using 3G enabled PC tablets. This adds to the professional feel of the campaign as well as delivering efficiencies through reduced paperwork and avoiding double handling of the data.

4.4.5. The household will receive a welcome pack through the post once registered. The pack includes:

- a standard letter welcoming them to the scheme and explaining the specifics
- a Portsmouth guide to recycling leaflet
- a BIG Recycle magnet to keep the leaflet on their fridge
- if they live in a house they will also receive a BIG Recycle bin ID sticker with their house number already written on it for them
- all of the above will be put in a branded BIG Recycle envelope

#### **4.5. Recycle**

4.5.1. The aim of the BIG Recycle campaign is to increase the amount of good quality recycling collected.

4.5.2. For the moment the rewards scheme focuses on recycling from the home; i.e. green recycle bins/boxes and flats communal recycling bins.

4.5.3. Only households displaying good recycling behaviours will be rewarded. The two criteria they will need to meet are listed below and encourage recycling more by ensuring multiple recyclable streams are recycled and that only the right items are going in the recycle bin to retain good quality;

- Recycle at least three out of the six correct material streams;
  - Paper
  - Card / cardboard
  - Drinks cans
  - Food tins
  - Aerosols
  - All plastic bottles
  
- AND no contamination, which typically includes;
  - Any other plastics that are not plastic bottles
  - Plastic bags and plastic packaging
  - Glass (can only be recycled at bring banks)
  - Drinks cartons (aka tetrapaks)
  - Foil
  - Polystyrene
  - Kitchen waste
  - Black sacks / black sack waste

#### **4.6. Reward**

- 4.6.1. On the last Friday of each month at 12pm a list of households registered to the scheme will be downloaded from surveymonkey into an Excel spread sheet.
- 4.6.2. 81 households will be randomly selected as potential winners by following the process below;
  - remove duplicate registrations and households outside of Portsmouth
  - assign each row a unique random number from 1 to however many registrations there are
  - sort registrations by random numbers in ascending order
  - Numbers 1 - 81 are potential winners; number 1 is allocated the £250 reward, numbers 2 - 21 the £75 gift cards and numbers 22 - 81 the £25 gift cards
- 4.6.3. It is important to note that this is a list of *potential* winners, as their recycling behaviours need to be assessed before rewards are issued.
- 4.6.4. Over the two week period following the draw, EROs will check the recycling bins of those living in houses and have a conversation with those living in flats. The assessment differs because it would be unfair to assess an individual flats recycling behaviour on the contents of a communal recycling bin.
- 4.6.5. If the ERO makes the assessment that the household is recycling well the household will be issued with their reward. If the household fails the assessment the ERO will not issue the reward and leave personalised feedback explaining what needs to be improved.

- 4.6.6. If the household has requested that their reward is donated to the Lord Mayor's Appeal they will be informed by letter and a donation made on their behalf.
- 4.6.7. Rewards will not be rolled over or reallocated if not awarded, as it is operationally impractical. They may be used for other incentives initiatives later in the campaign or used for bonus months to stimulate additional interest.
- 4.6.8. All stages of the rewards process are documented for audit purposes and include; a PDF of the potential winners list, officers assessing potential winners, reasons for non-awards, and gift card serial numbers distributed to winners.

## **5. Launch**

- 5.1. Portsmouth BIG Recycle launched on Monday 30 September 2013.
- 5.2. An event was held in Guildhall Square all day to mark the launch, which encouraged registration and raised awareness - see photos in Appendix 2.
- 5.3. A media presentation, coinciding with the event, was supported by the Lord Mayor and the Leader and was attended by a representative from the DCLG, House Talk, About My Area, Express FM, and a photographer from The News.
- 5.4. The launch was covered by several media over the following week, which included radio broadcast on BBC Radio Solent and a brief clip on ITV Meridian News. The breakdown of coverage is shown in Appendix 2.
- 5.5. To raise awareness of the launch of the BIG Recycle to residents, citywide communications were used; hangers on recycling bins were distributed by Biffa during collections, leaflets were delivered to each flat in the city, a teaser advert was placed on the back page of September Flagship and bus advertising ran throughout October. Appendix 3 shows the full programme of launch communications used.

## **6. Current situation**

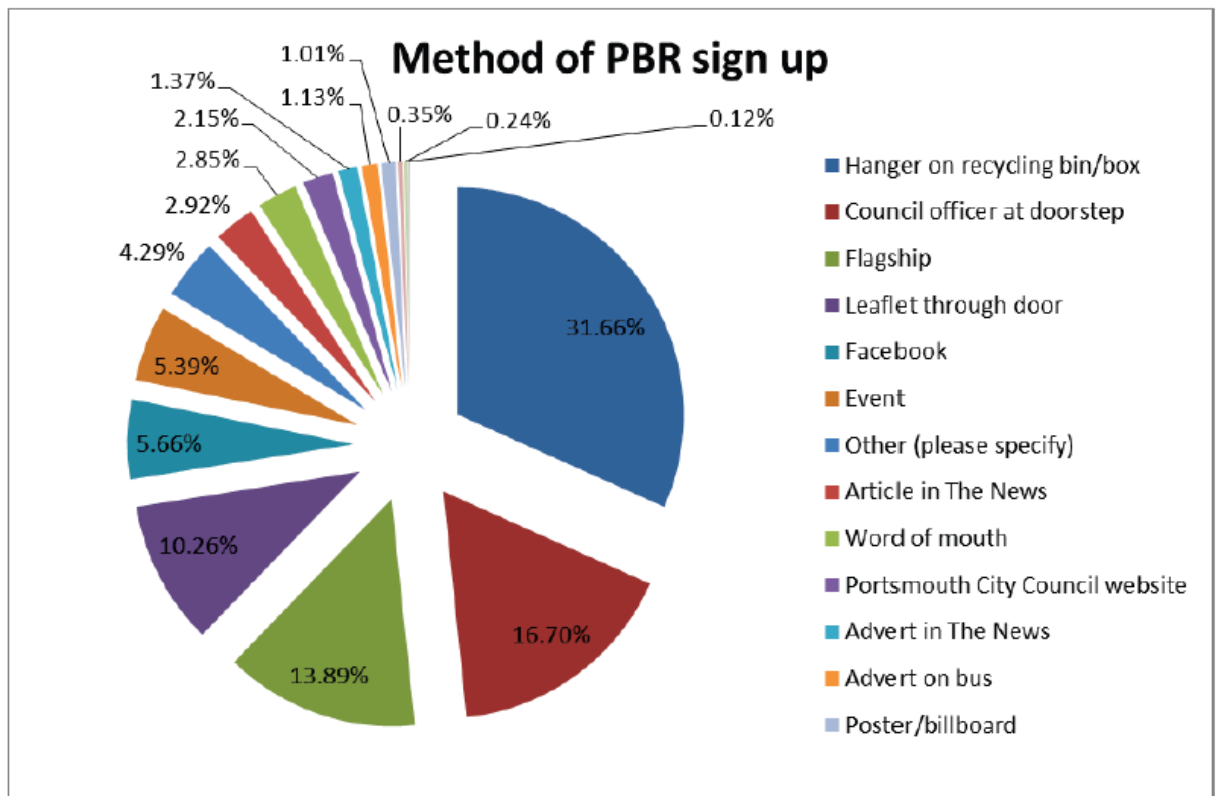
- 6.1. As of 9 January (15 weeks into the campaign) 5,752 households have registered for the BIG Recycle rewards scheme. This is almost 6% of the households in Portsmouth.
- 6.2. Southend-on-Sea Borough Council has been running a similar but smaller scale scheme since June 2013 and currently has 3,894 pledges (as of 13 November). Their scheme, however, is time limited until the end of this November.
- 6.3. Appendix 4 provides breakdown information on these registrations, such as houses vs. flats signed-up, age make-up of household and gender of lead contact.
- 6.4. Appendix 5 shows household registration across the city. This information can be used to help shape the campaign and target areas of the city showing less

engagement in the scheme. Please note that the larger markers indicate an area of many registrations.

6.5. Out of the 5,752 registrations 911 have opted to donate at least one of their reward values to the Lord Mayor's Appeal.

6.6. The following chart gives an indication of how well the launch communications have worked to encourage registration (as of 7 December), with the top 5 being;

- The hangers delivered on recycling bins
- Council officers on doorstep
- Flagship magazine
- Leaflets through the door
- Facebook (advertising pay per click and information in newsfeeds)



6.7. Facebook advertising has been a relatively successful low-cost tool, which has not been used before for waste issues.

6.8. £500 for a trial-period of two weeks, targeting young residents in Portsmouth has generated on average 138 clicks per day to the BIG Recycle website and 445 people have signed up to the scheme as a result.

- 6.9. With the use of PC tablets, EROs have been able to register 1,000 households on the doorstep or at events since the start of the campaign (as of 15 November).
- 6.10. Three draws have now occurred with two winners located in Southsea and one in Cosham. Nine households out of the three draws (243 properties) have not been recycling to an acceptable standard and have missed out on prizes, they have been given personalised feedback on what they need to do to improve their chances of winning in the future. 13 winners have donated to the Lord Mayor's Appeal over the period of the three draws.

## 7. Next steps

- 7.1. Until the end of the calendar year the focus will remain on encouraging registrations; EROs will doorknock areas equally across the city, adverts will be published in Flagship, House Talk and Term Times, and PR activity is planned for winning cash for Christmas.
- 7.2. From January 2014 to March 2015 various targeted recycling campaigns will take place to encourage behaviour change and to increase knowledge on recycling.
- 7.3. A full 18 month overarching strategy was approved by the project board on 15 January 2014.
- 7.4. The overarching strategy identifies the key audiences we will target and proposes a recommended timeline for activity and budget allocation. Target areas include:
- Future recyclers
    - o Schools - pester powers and influencing future/sustained change
    - o Young families - parental behaviour change through children activities
  - Young adult recyclers - large waste producers with little waste knowledge
    - o University students - need to find repetitive activities for on-going sustained change
    - o College students and teenagers - ingrain involvement at home
  - Flats - big barriers - EROs experienced this already
  - Low sign-up areas
  - Low participation areas - use information from Biffa
  - Plastics - provide clarification - often found to be a confusing point for residents
  - Aerosols - as a recent addition to accepted recyclables in Hampshire, market research shows promotional work is required to inform residents
  - Textiles - another confusing item for residents, residents will be encourage to use bring banks, which will reduced disposal costs and potentially generate income to the council (awaiting Cabinet decision)
- 7.5. Once approved, each target audience will have its own strategy written which will propose detailed marketing activity.
- 7.6. Information and ideas will be shared with Southampton City Council, as they are also running a recycling reward scheme. Although different in its delivery, the

demographics and aims are the same and sharing best practice should be beneficial to both parties.

## 8. Targets and monitoring

- 8.1. The council receives an income per tonne of dry mixed recycling sold on to re-processors. The income received is dependent on the tonnage of good quality recycling collected and current market prices.
- 8.2. The aim of the BIG Recycle is to raise recycling rates significantly enough to generate an additional income into the waste disposal budget.
- 8.3. The aim is to engage all households in the city, with a minimum registration to the rewards scheme of 15,000 by March 2015.
- 8.4. As per the 12 June 2013 decision report, the following table indicates tonnage targets for the campaign:

		2013/14	2014/15	2015/16	2016/17
Glass	Tonnes Switched	175	350	350	350
	<b>Forecast Income</b>	<b>£3,500</b>	<b>£7,000</b>	<b>£7,000</b>	<b>£7,000</b>
Dry Mixed Recyclables	Tonnes Switched	650	1,300	1,300	1,300
	<b>Forecast Income</b>	<b>£25,350</b>	<b>£50,700</b>	<b>£50,700</b>	<b>£50,700</b>
ERF Reduction	Tonnes Diverted	175	350	350	350
	<b>Forecast Saving</b>	<b>£4,200</b>	<b>£8,400</b>	<b>£8,400</b>	<b>£8,400</b>
<b>Total</b>	<b>Total Forecast Saving</b>	<b>£33,050</b>	<b>£66,100</b>	<b>£66,100</b>	<b>£66,100</b>

- 8.5. To endeavour to ensure that the £150,000 savings target is met the campaign will be closely monitored by the project board and finance.
- 8.6. A monitoring and evaluation plan is currently being created as part of the 18 month strategy, which will be able to report on an number of statistics, including tonnage trends, indicating whether the scheme is working or not. Members will be regularly updated with such reports with the first set of tonnage data likely to be known in spring 2014.
- 8.7. Although there is no formal reporting required to the DCLG on the scheme outcomes, they are keen to be kept updated, which officers hope would also increase the profile of the Portsmouth BIG Recycle nationally.



## 9. Budget update

- 9.1. The BIG Recycle is entirely funded from the Department for Communities and Local Government Weekly Collection Support Scheme.
- 9.2. The DCLG funding was available for three years and the last payment will be received in April 2014. However, the commitment to the weekly collection of refuse remains in place until November 2017.
- 9.3. The funding received has therefore been re-profiled to either allow for the behaviour change campaign to continue until this point in 2017 or £75,000 pa for 2015/16 and 2016/17 to be used as a contingency in case the savings targets are not achieved.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>Scheme</u>
Total DCLG funding for incentives campaign	£45,000	£246,000	£266,000	£0	£0	£557,000
Re-profiled	£12,495	£128,505	£266,000	£75,000	£75,000	£557,000

- 9.4. The release of the budget for years 4 and 5 will be dependent on a review of the campaign success at the end of the 2014/15 financial year.

## 10. Equalities Impact Assessment (EIA)

- 10.1. The Access and Equality Advisor has been consulted and has no additional comments on the report.

## 11. Head of finance's comments

- 11.1. Grant received from the Department of Communities and Local Government has been used to fund this incentive scheme. The intention is that the behaviour change encouraged by this scheme will increase the amount of recycling that takes place in Portsmouth. This in turn will reduce our disposal costs and also mean that we have increased volumes of dry mixed recyclables (DMR) to sell.
- 11.2. The Environment cash limit has been reduced by £150,000 which was the estimate of the income that would be generated by this scheme. The volatility of the DMR market now means that the current estimate of income falls below this as set out in the table at 8.4.

- 11.3. This will be monitored closely and if volumes of DMR collected do not increase beyond our current expectations and if the value of DMR does not return to previous levels then the service will need to take additional action in order to meet the approved budget saving of £150,000.
- 11.4. Re-phasing of the spend profile as per table at 9.3 takes into account the risk that the £150,000 saving may not be achieved in full by 2015/16. Having funding set aside will offset any shortfall while additional action is investigated or until the commitment to retain weekly collection services expires. Conversely, if savings are achieved, the funds can be used to support the campaign for a further 2 years.

**12. Head of legal comments**

- 12.1. There are no immediate legal implications.

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 Signed by:

**Appendices:**

- Appendix 1 BIG Recycle branding and example communications
- Appendix 2 Launch day - coverage and photos
- Appendix 3 Launch activity programme
- Appendix 4 Registration statistics
- Appendix 5 City spread of BIG Recycle registrations

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
12 <sup>th</sup> June 2013 E&CS decision - Incentives and Recycle	Online

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
 Signed by: