



Focus



Waste Improvement Network
Helping councils do more with less.



Improvement and
Efficiency
South East
Waste Resource Management

RecycleBank[®]
ALTOGETHER MORE **REWARDING**

WIN Focus, October 2010: The what, why and how of RecycleBank

WIN have been approached by a number of councils asking for more information on waste incentives. The current hot topic of conversation amongst many is RecycleBank and so WIN spoke with RecycleBank Managing Director in the UK, Sue Igoe to find out the answers to the questions our users have been asking.

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RecycleBank is a rewards and loyalty company which work with councils and their contractors to incentivise recycling collection services. The company are involved in a number of incentive schemes in America and have recently started working with councils in the UK.

How the RecycleBank scheme works

Once partnered with a council (usually via their waste contractor) wheeled bins are distributed to residents which are fitted with Radio Frequency Identification Devices (RFID) which is linked to the Unique Property Reference Number (UPRN) of the property. For existing wheeled bins, RFIDs can be retrofitted. RecycleBank also offer a non-bin solution for properties unable to accommodate a wheeled bin as well as a kerbside sort solution

Residents choose to opt in to the scheme and are given an online account to manage their points and rewards. Commingled dry recycling is collected in the bins, organic waste can also be collected if the council desires using a separate bin with RFID and can be rewarded for presentation of waste as opposed to weight.

During collection, the bins are weighed by on-board weighing technology; the RFID is scanned and the information collected for the relevant activated account. RecycleBank then issue points to residents based on the weight of recyclate collected and residents can convert points into rewards in the form of vouchers (up to £135 worth per year) which can be spent with a variety of retailers/service providers.

Partnership with councils

How does RecycleBank work in partnership with councils to deliver the scheme?

RecycleBank told us that they take a consultative approach to working with councils by looking at the factors that are contributing to their current recycling rate and waste diversion. The service is intended to be sustaining over time and RecycleBank see themselves as long term partners with contracts typically lasting 5-10 years.

What is provided by Recyclebank?

Councils pay a subscription to RecycleBank, who in turn provide full account management including organising communications for the scheme, collating the data and issuing reward points to households. RecycleBank also attracts and puts in place agreements with reward partners.

What RecycleBank does not provide

RecycleBank is simply a rewards and loyalty company. Any infrastructure changes such as to vehicles and containers are managed by the local authority (and their contractor, if applicable).



How are the new bins/containers distributed?

In the majority of cases the council will hire a contractor to deploy collection containers. If retrofitting of RFIDs is required, the council arranges this.

Costs

What are the costs of RecycleBank?

RecycleBank try to price the scheme for councils as a cost neutral service based on savings. A range of cost options can be provided to councils. If a council is willing to spend more money, then RecycleBank can provide more extensive options for the service.

The service can be tailored to each council. Cost also depends on the size of the council. The main costs are those borne upfront and these are capital.

What do the costs cover?

Costs cover operating the rewards programme including fulfilment and customer care costs.

What are the pricing options?

There is a flat fee option or a cost savings model:

- **The flat fee option** is an annual subscription that is charged on a per household, per month basis, it can also be calculated on landfill diversion.
- **The cost savings model** allows Recyclebank to take more risks and this is based on and linked to performance. Therefore if the recycling rate doesn't go up, the subscription payment to Recyclebank also does not increase.

For those councils with a performance related scheme, is there a flat fee payable if their performance does not increase?

Recyclebank offer a variety of ways to cover the costs of the scheme and a flat fee could be one of them.

Additional costs to councils

Costs that are not covered through the subscription payable to RecycleBank are:

- Purchase of new containers or retrofit of RFIDs to existing bins
- Delivery of bins
- Fitting weighing technology and data storage software to waste collection vehicles
- Maintenance of bins, RFIDs and weighing technology
- Reprocessing additional tonnages of recyclable material generated through the introduction of the scheme
- Costs of putting additional collection rounds in place – i.e. vehicles, staff etc.

It is possible for costs to be offset by contributions from waste collection contractors and in savings from landfill diversion.



Savings

How much are councils likely to save?

RecycleBank told WIN that schemes are designed to be cost neutral and that typically there are savings over time.

Participation

RecycleBank schemes typically get participation application rates from residents of around 60-70% - this is mainly driven by publicity, by locally focussed communication activity including the local authority and local media. RecycleBank work collaboratively with the local authority on communication activities.

Rewards

How does the Reward system work?

As a brief overview - each eligible household is set up with an online rewards account which must be activated by the resident, should they choose to opt-in to the scheme. Residents receive RecycleBank points which are allocated according to the weight of recyclate collected by each resident. Points are managed through the web-based account and can be redeemed as vouchers which residents can spend with participating local and national reward partners. Reward points can also be used to give donations to selected schools through the Green Schools Programme.

Does the local authority have to pay for the rewards?

No, the cost of the rewards is borne by the Reward Partners (more details under the 'Reward Partners' section).

What rewards are available to residents?

Typically, the rewards available are money-off vouchers such as '£5 saving on £20 of shopping' for example. Vouchers for free swimming sessions and similar are also available.

Scope of rewards

Points and rewards can be given for a variety of actions, not just recycling. In some American councils for example, residents are rewarded with points for signing up to paperless billing from their local authority.

Rewards can also be spent on socially beneficial projects such as making donations to local schools/community groups etc.



Are the rewards worth the same amount of money whatever business they are valid for? E.g. would a £5 voucher for M&S be worth the same at a leisure centre? If not, how is the value allocated?

Rewards are priced very similarly for the most part. However, if a local partner wants to drive more traffic they may ask RecycleBank to reduce the number of points needed for their reward or to be part of seasonal offerings. For example, RecycleBank recently did a summer promotion and the leisure centre rewards were on special offer.

Can rewards be tailored to meet the needs of demographic/housing type variations, areas of low participation etc?

RecycleBank say that it is up to councils to decide how they would like to reward residents and the type of reward can be varied between areas – e.g. to suit the demographics of the community.

Rewards can be varied within a council area. E.g. if you increase recycling by 1 tonne across an area points can be distributed to all residents in that area who are participating in the scheme.

Are RecycleBank considering expanding their remit to provide rewards for waste prevention and reuse as well as recycling?

RecycleBank have a waste reduction pilot in the City of Philadelphia in America which has over 450,000 households in which households are not only given points for the amount of their recyclables, but month over month waste arisings are tracked and the resident is given bonus points based on how much waste is reduced. It is still in the early phases but RecycleBank believe that it is a waste reduction scheme and that increasing recycling rates is simply the first step in engaging residents in personal waste management.

Points can be earned for reuse, smart energy etc. too and this can be discussed with RecycleBank.

Is it possible to make 'green' rewards available to residents such as discounted energy saving measures, free compost bins etc.?

RecycleBank say that their rewards are based on what people prefer and this may not always be the greenest option. In their opinion, people will make more conscious choices about being green through the scheme and that recycling is just the start of this.

RecycleBank view their relationship with the councils they are working with as long term and they are able to help facilitate the provision of green rewards if councils would like to pursue this.

Reward partners

Are the reward partners all multinational/large companies?

Reward partners can include both local/independent as well as larger businesses. The Marks and Spencer reward is the most popular with the third most popular being leisure centres.



In RecycleBank's opinion, people are looking for everyday needs to be met through the rewards.

Do Reward Partners have to pay a fee to RecycleBank or the council to take part or is the incentive simply a generation of retail traffic through the scheme?

National partners pay RecycleBank a sponsorship fee for additional exposure on the website, through mailshots to residents and inclusion in press around the scheme.

The local reward partners do not pay to be in the programme, but are responsible for covering the cost of the rewards that they offer in the scheme. RecycleBank work with the Reward Partners to ensure that those rewards drive traffic to their businesses and are aligned with their business goals. For example if a local coffee shop wants to promote its food offering, RecycleBank would suggest a free muffin with a purchased cup of coffee.

RecycleBank are currently the market leaders in this type of scheme, what is the unique element and could this be replicated by other companies/organisations?

RecycleBank see their unique element as being local rewards ingrained in the community. They feel that this gives more value than traditional rewards. When building the rewards programme they are strategic and get involved with community and business groups.

RecycleBank are currently the only company operating in the UK in this field.

Local authorities currently working with RecycleBank

Further information about the RecycleBank services currently being run by councils can be obtained directly from:

Royal Borough of Windsor & Maidenhead

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