

# Bulky Waste Re-use Partners in Shropshire

A successful bulky waste partnership between a local authority, a private waste management company and third sector organisations has produced impressive results in Shropshire, with both environmental and social gains for local people.

## Introduction

Shropshire Council has been a unitary authority since April 2009. In 2007 the Shropshire Waste Partnership, comprising the county, district and borough councils, entered into a 27-year waste private finance initiative (PFI) contract with the waste management company Veolia ES Shropshire.

Veolia carry out waste collection and management for Shropshire including the provision of a bulky waste collection scheme to 132,000 households. They manage this scheme together with three social enterprises acting as subcontractors. These charities are the Shropshire Housing Alliance (SHA), the South Shropshire Furniture Scheme (SSFS) and the Shrewsbury Furniture Scheme (SFS).

### Key facts

- Two services operate via a single call centre – a re-use collection service for readily re-usable items, and a bulky waste collection service for other items.
- The centralised telephone booking system serves the whole of Shropshire and gives a choice of times and allocated days.
- In 2010/11 there were 3,497 collection enquiries resulting in 1,823 bulky waste collections.
- In 2010/11, over 6,700 items were collected through the re-use collection service, diverting 500 tonnes from landfill with the council paying £20,000 in re-use credits to the furniture re-use scheme.

- The bulky waste collection service supports 28 key performance indicators within the wider collection contract.
- SSFS and SHA receive tonnage-based re-use and recycling credits from the council and generate income from the sale of goods and recyclate.
- SSFS receives payment from Shropshire Adult and Community Learning Department for the delivery of NVQ and other training courses, and from West Mercia Probation Service for placements and training support to probationers.
- Four jobs were created and four saved as a result of the bulky waste contract, with the benefits of work experience and skills learning extending to a much greater number of individuals.
- A further four full-time and two part-time jobs have been created at retail outlet 'Reviive' with opportunities provided for 20 volunteers.
- Across the wider charitable activities, which include carpentry, recycling, retail outlets and refurbishment workshops, opportunities are provided for some 80 volunteers with SSFA, 30 volunteers with SHA and four volunteers with the SFS.
- Combined the charities are involved with over 110 volunteers and 38 staff.

# The approach

## Shropshire Council

On 1 October 2007 the Shropshire Waste Partnership (SWP) started a 27-year PFI waste collection and management contract with Veolia. The Partnership at that time comprised the county council, North and South Shropshire district councils, Bridgnorth District Council and Oswestry Borough Council. Shrewsbury and Atcham Borough Council joined the partnership at a later date.

In the initial procurement stages of the PFI contract, existing third sector furniture re-use organisations held discussions with the SWP asking if they could be subcontracted to carry out bulky waste collections. These organisations were already collecting some bulky waste but collecting all items offered a greater opportunity for refurbishment and re-use. This activity would also be more sustainable if they could be paid for delivering this service.

The SWP welcomed this initiative. They were keen to provide these social enterprises with a more secure base and to share in the potential wider benefits resulting from working together. Each of the waste management companies identified as preferred bidders in the PFI procurement process was asked to talk to third sector parties to see how they might work together. During this consultation period it was discovered that the requirements within the PFI contract, especially those relating to performance requirements and penalties, were too restrictive to allow any third sector involvement. After months of discussions the necessary approval was obtained to permit a re-write of the PFI contract to facilitate third sector involvement.

Veolia commissioned the charity Urban Mines to support the third sector organisations in developing their business plans. All parties considered that a proper business approach was essential. This provided considerable motivation for the third sector parties to work together. The outcome was that the re-use schemes in Oswestry and North Shropshire merged to form the Shropshire Housing Alliance (SHA), and began working with SSFS. A third smaller organisation, SFS, also forms part of the delivery team.

## Veolia ES Shropshire

Early in the PFI process it was made clear to bidders that the SWP wished to improve the bulky waste collection service, setting high performance standards (such as the desire for all collections to be carried out within three working days of a householder contacting the call centre). The SWP informed bidders of the existence of a number of furniture re-use organisations active in the area, and it became clear during the procurement process that none of the prospective bidders could meet the high performance measures required without the involvement of third sector organisations.

Following nomination as the 'preferred bidder', Veolia met with the third sector organisations and engaged Urban Mines to provide further assistance. Veolia were keen to work with these organisations on a professional basis to ensure that each party was aware of the requirements of the contract, the targets to be met and the potential risks relating to non-performance. Veolia invested time working alongside SSFS and SHA and developed a working relationship such that they were happy to contract for an initial three-month trial with SSFS. After six weeks the service was working well and was extended to cover the full geographical area, with SHA also joining the delivery team.

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Until 2007 bulky waste re-use was encouraged through informal signposting by the district and borough councils to the third sector retail outlets, but the collection service was not maximising diversion from landfill.

The advent of a long-term PFI contract and the desire, driven by council members and officers, to increase diversion from landfill provided the opportunity to involve the third sector. To enable this involvement, amendments were made to the PFI contract regarding the issues of financial penalties and non-performance.

In April 2008 Veolia and SSFS embarked upon a three-month trial to undertake householder bulky waste collection requests in South Shropshire. It was so successful that the pilot was immediately rolled out by North Shropshire and Oswestry Furniture Schemes before the three-month period was over, with full area coverage achieved by March 2009.

Today, bulky waste collections are handled through a centralised contact centre with a dedicated telephone number for waste-related issues. Details of items that are fit for immediate re-use are passed on to the community scheme call centre, which distributes the work to the relevant scheme: SSFS covering the south of the county, and SHA covering the north, supported by intermittent activity from SFS. Details of items not fit for immediate re-use and deemed to be bulky waste are passed to Veolia. Veolia then passes on collection requirements to the relevant community scheme.

The working relationship has been so successful for the charities involved that as a result of this long-term contract they have been able to establish 'Reviive', a joint venture retail outlet located close to the Shrewsbury Battlefield Household Waste Recycling Centre (HWRC). The outlet takes bulky items delivered to the adjacent HWRC as well as direct donations from the local community.

Re-use rates for the bulky waste service stand at 8%, with recycling at 20%. Both are significant improvements on past rates. There are three main reasons why these rates appear low:

- it excludes the items that are collected specifically for re-use;
- the PFI contract requires the charities to make all bulky collections even if the articles cannot subsequently be re-used; and
- until November 2011 neither of the furniture schemes was an Approved Authorised Treatment Facility (AATF) which was a major restriction on the re-use of Waste Electrical and Electronic Equipment (WEEE).

Over 6,700 items were collected through the re-use collection service during 2010/11.

In November 2011 funding was obtained from the Department for Business, Innovation and Skills (BIS) WEEE Local Project Scheme, which has enabled the Reviive shop to gain AATF status meaning they are now able to re-use a lot more WEEE.

The wider community benefits have been significant with increased employment and work placements as well as support for volunteers, the unemployed and probationers on community service. Much of this activity leads to significant opportunities for skills development and access to employment.

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There is a formal contract covering the delivery of the bulky waste service. The key features of the service are highlighted below to illustrate the working relationship between the private sector and third sector:

- The council-operated call centre handles all calls and takes details of the items to be collected.
- For items not deemed suitable for re-use, details are uploaded onto a shared server so that Veolia can access them. Veolia passes the information direct to the appropriate organisation and the waste is collected on the designated day for that particular area, or it contacts the householder if a specific time and or in-property collection is required.
- Veolia delivered leaflets to 46,000 householders promoting the scheme, highlighting the opportunity for the re-use of bulky items.
- If a householder contacts the call centre regarding the collection of a re-usable item, they will be directly referred to either the SSFS for the south of the area or to the SHA for the north. The item will be collected for £6. This service is outside the scope of the PFI contract.
- Items classified as waste and collected through the PFI contract are charged at £20.81 to residents for 1-3 items.
- Of the set contract charge of £20.81 for 1-3 items, 10% is retained by the council to cover call centre costs (£2.08), 10% of what remains (£1.87) is retained by Veolia to part cover depot call staff costs, and the remainder goes to the individual charities based upon the number of collections they each carry out.
- Once collected using dedicated vehicles, items are taken to the various depots across Shropshire, closest geographically to the point of collection. Items are then cleaned and refurbished. The charities have carpentry workshops and are also AATFs able to handle WEEE goods. Items are then sold in one of the charity retail outlets in Oswestry, Market Drayton, the Reviive Site in Shrewsbury or the Renaissance Centre and Re-use Centre, both in Ludlow.
- Employees and volunteers involved benefit through work experience, which may include administration roles covering the detailed arrangements for collection, van driving and collecting, sorting of bulky items, cleaning and refurbishment, stripping down parts for recycling, carpentry or running and assisting in the shops. The charities combined are involved with over 110 volunteers and 38 staff.
- SSFS provides extensive additional training opportunities connected to bulky waste and as part of its wider activity, providing recycling NVQs, certificates in woodwork, health and safety, computer recycling, first aid, fire safety, manual handling and fork lift truck training. The council's Adult and Community Learning Service provides an additional £100,000 per annum to cover this extensive training provision.
- The charity shops provide goods to the wider community. Those on benefits or low income can be referred by local agencies such as the Citizens Advice Bureau, the housing benefit department, the council's housing department, housing associations, social services, Sure Start, the job centre and SHA advice offices, and will only have to pay a small set fee to cover a large number of goods. Goods can also be delivered at a small charge.
- To aid cash flow and to further assist the charities, Veolia who are paid monthly by the council, have made special provision to pass on payment to the charities within 30 days.

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## Critical success factors and key learning points

### From Shropshire Council's perspective

- **Be flexible on procurement.** The council learned that in order to achieve sustainable procurement, including environmental, wider social and economic benefits, it was necessary to break down their collection contract into smaller components, and to separate out bulky waste collection to allow for third sector social enterprise involvement.
- **Keep members involved.** The full understanding and support of council members was very important in getting the service off the ground. The council set up an Education and Awareness Waste Advisory Group for council members, and took representatives from the group to visit existing third sector furniture workshops and retail outlets so that they could ask questions and see first hand the issues involved and the wider benefits.

### From Veolia's perspective

- **Learn from the experience of all parties.** This will ensure better results for the group. Veolia recognised that the third sector had extensive experience in working directly with the local community and in providing wider opportunities, through volunteering and training benefits associated with the running of charity shops and refurbishment workplaces.
- **Be professional from the start.** Approach the contract in a professional business-like manner and establish early working relationships with the partners involved, making sure the goals targets and performance measures required of the parties are clearly understood.
- **Choose appropriate partners.** Veolia made a commitment in the contract to work with the third sector. There was a need to ensure that whoever they partnered showed the necessary business management understanding to produce a durable service. To give the furniture re-use scheme a helping hand, especially in the early years, Veolia thought that the continued branding of the service and financial assistance during the start-up period was the best way to ensure its success.

### From the charities' perspective

- **Work to develop positive relationships.** Regular meetings at the start of the relationship and investing the time and effort to develop that relationship allow the parties to understand each other's requirements.
- **Act professionally.** To emphasise business capability and present yourselves as a business operation not to expect or require special treatment as a not-for-profit organisation.
- **Communicate your abilities.** Express your capability clearly and be able to provide evidence of your ability to deliver to all prospective partners.
- **Be sensitive to cultural differences.** Appreciate that entering into a formal contract in this way, especially with a large private sector organisation, may have a cultural impact on your own organisation, and may impact on staff and volunteers. You need to explain clearly to staff why working in a particular way is important so as to take staff with you on the journey.



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## Achievements

- 2010/11 – 8% re-use and 20% recycling were achieved through the bulky waste collection service, i.e. items not recorded as re-usable at the time of booking. In addition to these, the charities are undertaking 5,000 – 6,000 collections of re-usable items per annum.
  - 11 staff and 29 volunteers have undergone work experience through involvement with the two charities. Four NVQs and over 30 other training certificates have been achieved through both organisations' activities relating directly to the contract and to wider charitable activities
  - SSFS and SHA have been able to form a joint venture retail shop/workshop. Reviive opened in October 2010, employs four full-time staff, two part-time, 20 volunteers and is open seven days a week.
  - In recognition of the success of the partnership, Veolia has now sub-contracted SSFS and SHA to deliver recycling boxes and bins to householders. This provides sustainability improvements through reduced vehicle usage as well as
- increased employment and work-based experiences for staff and volunteers within the charities.
- A successful joint application has been made by all the partners for funding to BIS to become an AATF to improve the capture and re-use percentage of small WEEE items. This will enable capture of at least an additional 10%, or 219 tonnes, per annum.
  - The success of the partnership has led the council to establish a £40,000 contract with the Shropshire Community Recycling Network, of which SSFS and SHA are key members, to run the Ludlow HWRC as a small local recycling centre.
  - SSFS and SHA have benefited from support and financial assistance not just from the council's waste department to aid the delivery of this contract, but also from the council's adult and community services with funding for NVQ training, from the West Mercia Probation Service. This funds training and work placements for probationers, and subsidies from the council's housing and social services supports the provision of low cost furniture and household items to those in need and on low incomes.

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Working together for a world without waste

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