
Case study: Achieving good practice waste recovery

McGrath works in partnership with Hackney Homes



Hackney Homes is using a partnering approach across the whole supply chain, to deliver the Decent Homes Programme in Hackney. A framework of five construction contractors works in partnership with McGrath to deliver the Local Authority's target waste recovery rates.

WRAP helps individuals, businesses and local authorities to reduce waste and recycle more, making better use of resources and helping to tackle climate change.

Document reference: WRAP, 2009, Case Study: McGrath works in partnership with Hackney Homes (WRAP Project WAS800-003). Report prepared by Hill, A R and Pearson, G A, Scott Wilson Ltd

Written by: Dr Annette Hill and Gillian Pearson (Scott Wilson)



Front cover photography: Hackney Homes Decent Homes Programme, courtesy of Hackney Homes

WRAP and Scott Wilson Ltd believe the content of this report to be correct as at the date of writing. However, factors such as prices, levels of recycled content and regulatory requirements are subject to change and users of the report should check with their suppliers to confirm the current situation. In addition, care should be taken in using any of the cost information provided as it is based upon numerous project-specific assumptions (such as scale, location, tender context, etc.).

The report does not claim to be exhaustive, nor does it claim to cover all relevant products and specifications available on the market. While steps have been taken to ensure accuracy, WRAP cannot accept responsibility or be held liable to any person for any loss or damage arising out of or in connection with this information being inaccurate, incomplete or misleading. It is the responsibility of the potential user of a material or product to consult with the supplier or manufacturer and ascertain whether a particular product will satisfy their specific requirements. The listing or featuring of a particular product or company does not constitute an endorsement by WRAP and WRAP cannot guarantee the performance of individual products or materials. This material is copyrighted. It may be reproduced free of charge subject to the material being accurate and not used in a misleading context. The source of the material must be identified and the copyright status acknowledged. This material must not be used to endorse or used to suggest WRAP's endorsement of a commercial product or service. For more detail, please refer to WRAP's Terms & Conditions on its web site: www.wrap.org.uk

Executive summary

In the London Borough of Hackney, upgrading the Local Authority's housing stock to meet the requirements of the Government's Decent Homes Standard and the Local Authority's own Hackney Standard is the largest refurbishment project ever undertaken by the Borough.

Hackney Homes is delivering its Decent Homes Programme through a strategic partnership arrangement with five construction contractors. Hackney Homes and the construction contractors have also appointed a common supply chain through a supply chain agreement, which includes the provision of all waste management services.

McGrath was appointed as the waste management company for the project through a multi-stage process that involved all parties coming together in a series of workshops to scope the service delivery.

Under the supply chain agreement, McGrath delivers all waste management services to the five construction contractors working on the Decent Homes Programme in Hackney. The Company undertakes a range of waste management and recycling activities for the project and provides bespoke monthly reports to Hackney Homes and the construction contractors.

Waste recovery rates of 70 to 85% are being achieved.

Contents

- 1.0 Introduction..... 3**
 - 1.1 Key facts3
 - 1.2 The project.....3
 - 1.3 Client: Hackney Homes.....4
 - 1.4 Waste Management Company: McGrath Group4
- 2.0 Background 5**
 - 2.1 Key drivers5
- 3.0 Procurement process 6**
 - 3.1 The Process.....6
- 4.0 Contract arrangements..... 7**
 - 4.1 Contract conditions and requirements7
 - 4.2 Contract management7
- 5.0 Service delivery..... 7**
- 6.0 Data collection, collation and reporting..... 10**
- 7.0 Use of the Site Waste Management Plan 10**
- 8.0 Auditing..... 10**
- 9.0 Outcomes 11**
 - 9.1 Key learning points.....11
- 10.0 Next steps 11**
- 11.0 Further information 12**

Acknowledgements

WRAP and Scott Wilson would like to thank McGrath Group and Hackney Homes.

1.0 Introduction

Hackney Homes is using a partnering approach across the whole supply chain, to deliver the Decent Homes Programme in Hackney. A framework of five construction contractors works in partnership with McGrath to deliver the Local Authority's target waste recovery rates.

1.1 Key facts

- Client: Hackney Homes
 - Construction Contractor: strategic partnering agreement of five construction contractors
 - Waste Management Company: McGrath Group
-
- Hackney Homes procured the delivery of its Decent Homes Programme through a strategic partnership arrangement with five construction contractors that involves a common supply chain appointed through a supply chain agreement.
 - The supply chain waste management partner McGrath, was appointed through a multi-stage process that involved all parties coming together in a series of workshops.
 - Under the supply chain agreement, McGrath delivers all waste management services to the five construction contractors working on the Decent Homes Programme in Hackney.
 - McGrath undertakes a range of waste management and recycling activities for the project and provides bespoke monthly reports to Hackney Homes and the construction contractors.
 - Waste recovery rates of 70 to 85% are being achieved.

1.2 The project

The Government's Decent Homes Standard requires all social housing properties that are owned by Local Authorities to be warm, weatherproof and have reasonably modern facilities, such as kitchens, bathrooms and wiring. The Decent Homes Standard was expected to be achieved through programmes of refurbishment and/or new build.

The London Borough of Hackney, in partnership with Hackney Homes, is undertaking a £380 million Decent Homes Programme to upgrade their stock of 32,000 dwellings to meet the Decent Homes Standard by 2012. An extensive programme of roof and window replacement has been undertaken and work is ongoing in this area and in the refitting of kitchens and bathrooms that are over 30 years old.

In addition to meeting the Decent Homes Standard, London Borough of Hackney has also targeted additional improvements through the 'Hackney Standard' which was developed in consultation with residents. The Hackney Standard includes a range of improvements such as:

- new entry phones and CCTV;
- environmental improvements;
- garden / ground level access;
- play areas;
- refuse disposal areas;
- access for those using wheelchairs; and
- improving communal areas.

The delivery of the Decent Homes and Hackney Standards is the largest refurbishment programme ever undertaken by the Borough. In order to deliver this major programme of work, Hackney is working with five main construction contractors in a strategic partnership arrangement.

1.3 Client: Hackney Homes

Hackney Homes is an Arms Length Management Organisation (ALMO) set up by London Borough of Hackney in April 2006 to manage and improve its housing stock. Hackney Homes is a not-for-profit organisation with a management board comprising six elected resident representatives, five appointed independent board members and five councillors nominated by London Borough of Hackney.

Hackney Homes is responsible for managing social housing, collecting housing rental, and repairing and maintaining Local Authority owned homes across Hackney.

Hackney Homes' key business objectives are:

- providing excellent, accessible services;
- delivering modern homes;
- running Hackney Homes well; and
- improving neighbourhoods.

1.4 Waste Management Company: McGrath Group

McGrath Group (McGrath) is a waste management, recycling and demolition company based in Hackney and supplying services across south east England. The Company began as a small plant hire business in 1972 and has since expanded to offer a wide range of waste and recycling services. The McGrath Group also includes Demo One - a demolition contractor.

The services offered by McGrath include:

- skip hire;
- waste collection;
- waste recycling;
- plant hire;
- tyre recycling; and
- supplying recycled aggregates and ready mixed concrete.

The Company operates from an eight acre depot in Hackney, which includes a modern waste segregation plant, and has recently invested in a new waste transfer station in Barking. To support the growth of the business, McGrath has made significant investment in plant, people and systems and constantly refines the services offered in order to adapt to customer requirements.

McGrath puts customer satisfaction and a responsibility to protect the environment at the forefront of its operations. The Company has established policies on the environment, quality and health and safety and is in the process of seeking recognised third party accreditation of its management systems. McGrath has also signed up to WRAP's Construction Commitments: Halving Waste to Landfill, thereby making a public commitment to reduce the amount of waste it will send to landfill.

McGrath's Environmental Policy Statement states:

"As a specialist waste management and recycling company, we are committed more than most to conducting our business in a manner which protects the environment.

We are currently in the process of seeking ISO14001 and Green Mark recognition for outstanding environmental management systems.

We are committed to:

- *Using and improving operations and technology to reduce waste and prevent pollution at all levels, including nuisance noise and dust emissions;*
- *Striving to improve our rate of recycling;*
- *Using natural resources wisely coupled with monitoring of energy use to improve efficiency".*

2.0 Background

To deliver the major programme of works required to achieve the Decent Homes and Hackney Standards, Hackney procured a Design and Build Contract across five council areas using the PPC2000 Contracting Arrangements that promote partnership working. Tenders were reviewed by joint Officer and Residents Panels for each contract area and five main construction contractors were appointed to the framework, as follows:

- Connaught;
- Kier;
- Lovell;
- Mansell; and
- Mullalley.

Each construction contractor signed a PPC2000 Partnering Contract with the Council as well as jointly signing up to a Strategic Alliance with Hackney Homes. The partnership approach was designed to deliver efficiency savings across the programme through cost savings, the quick resolution of common issues, fewer disputes and improved resident satisfaction.

The Partnering Agreement requires all five construction contractors to work together with Hackney Homes to deliver the requirements of the programme. It establishes a single procurement forum and a common supply chain, which is controlled by Hackney Homes.

The supply chain is managed through a supply chain agreement that includes Hackney Homes, the five construction contractors and all supply chain members and promotes partnership working throughout the supply chain.

The works undertaken on the Decent Homes Programme can vary greatly in scale and duration and can include everything from the refitting of all the kitchens and bathrooms in an entire block of flats to installing new windows in a single home.

2.1 Key drivers

The key drivers for the delivery of the project include:

Client - Hackney Homes

- delivering cost savings across the Decent Homes Programme;
- improving resident satisfaction and make Hackney a better place to live and work;
- working closely with the whole supply chain to resolve issues quickly, resulting in fewer disputes; and
- delivering Hackney Council waste recycling targets.

Construction Contractor - strategic partnering framework of five construction contractors

- delivering Client objectives;
- delivering framework Key Performance Indicators (KPIs);
- delivering Corporate objectives; and
- securing a significant work stream on a long-term project.

Waste Management Company – McGrath

- delivering Client objectives and project KPIs;
- continuing to secure a long-term contract to ensure business stability;
- engaging with significant local and national customers;
- driving continuous improvement in performance; and
- delivering Corporate objectives and targets.

3.0 Procurement process

The construction contractors and Hackney Homes procured a common supply chain for the delivery of all services including waste management.

A key part of the partnership working approach required the construction contractors and Hackney Homes to procure a common supply chain for use across all projects within the Decent Home Programme regardless of which construction contractor was undertaking the works. Appointment of suppliers is a collective decision but the management of the supply chain remains the responsibility of Hackney Homes to ensure the most effective delivery of services.

The process used for selecting the suppliers, including the waste management company, is described below. At this time waste management companies were rarely seen as a partner in projects and construction contractors were not getting the service they required. At the same time, Hackney Council wanted to ensure a complete and transparent audit trail for the management of waste leaving its sites.

3.1 The Process

Initially Hackney Homes and the construction contractors engaged in a series of workshops in order to identify and agree on the specifications for a range of suppliers that would be required to deliver the Decent Homes Programme. Initially the specification for waste management was to supply a range of skips to the sites and to achieve a minimum recycling rate of 70% - a target established by Hackney Council.

Once an initial specification was agreed, Hackney Homes asked each construction contractor to propose two or three waste management companies that it believed could deliver the service. The waste management companies were then asked to submit a proposal to supply the services.

The waste management companies were invited to give a presentation to the construction contractors and Hackney Homes at a series of workshops. The workshops were also used to explore a range of approaches to delivering waste management services on the project and for all parties to gain an understanding of the scope of services that waste management companies could provide. The workshops were used to formulate the detailed scope of works to ensure that realistic, usable and beneficial waste processes were put in place for all parties and Key Performance Indicators (KPIs) were also developed.

Following the workshops, the construction contractors were required to reach agreement on the preferred supplier for the waste management services, which was McGrath.

McGrath was appointed as the supplier of waste management services because the company:

- is local to Hackney;
- employs local people;
- is achieving recycling rates of over 70%; and
- is able to provide bespoke data reports on waste management.

McGrath joined the supply chain and signed up to the supply chain agreement with Hackney Homes and the construction contractors.

McGrath has been working with the London Borough of Hackney since 2004.

4.0 Contract arrangements

Hackney Homes manages the supply chain agreement with McGrath through monthly project meetings and an annual review process. Individual orders for services are placed directly by the construction contractors with McGrath.

4.1 Contract conditions and requirements

Once a supplier is appointed to the supply chain, the construction contractors are required to use that supplier for all their work on the Programme. The supply chain agreement means that a construction contractor cannot simply choose to use a different supplier.

For each piece of work, the construction contractor appoints McGrath directly and agrees the detailed arrangements for the particular project within the framework established under the supply chain agreement. The appointment is usually under McGrath's Standard Terms and Conditions, which include details of payment arrangements and liabilities. The construction contractors pay McGrath directly, at the rates agreed in the supply chain agreement.

The construction contractors and McGrath are required to deliver recycling rates of at least 70% - as required by London Borough of Hackney – and to undertake on site segregation of the most significant waste streams, where feasible. Reporting against KPIs and waste data reporting are both requirements of the Agreement (see Section 6) and McGrath report on a monthly basis directly to Hackney Homes as well as to the individual construction contractors to enable the collation of their respective reporting.

4.2 Contract management

The delivery of services is managed through monthly supply chain meetings between McGrath and Hackney Homes. The meetings review service delivery performance against the programme KPIs, discuss the reported waste data, raise any issues with works and discuss current and future schemes.

The construction contractors also provide feedback to Hackney Homes on McGrath's performance via regular construction contractor's progress meetings. This process ensures that any issues are dealt with promptly and resolved effectively for all parties.

Hackney Homes also review performance with McGrath on an annual basis where performance and pricing are revised as necessary and opportunities for additional added value are explored.

5.0 Service delivery

McGrath supply a range of waste management services to the Decent Homes project sites that are focused on achieving the recovery of waste.

The works undertaken under the Decent Homes Programme vary significantly in both size and scope. As such, the services offered by McGrath are adapted to fit the particular situation. The nature of the works means that the majority of the construction sites are located within densely populated areas and as such, space for storing waste is often limited.

To enable efficient waste collection, McGrath has established four waste management depots across the borough. These hubs are generally located adjacent to larger schemes and also act as a waste drop off area for some smaller projects.

When setting up a new project site, McGrath visit the site with Hackney Homes and the construction contractor to identify the most appropriate location for the waste management area and to discuss this with local residents. In many cases this can be a sensitive issue since the location of the waste depot is often within residents parking areas or communal spaces. By discussing waste management before the project commences onsite, all parties know what is expected.

McGrath supplies a range of skips and containers to each project to enable the collection of mixed and source segregated waste streams. Waste is segregated on site where possible. Enclosed skips are usually used to

improve safety and security, with 14 and 20 cubic yard containers being the most common, although it is dependent on the waste streams being generated and the space available. Typically, containers are provided for the following waste streams:

- mixed waste;
- dirty timber;
- scrap metal;
- cardboard; and
- inert materials.

For health and safety reasons windows are taken back to McGrath's recycling facility to separate the glass.

McGrath assist in developing the segregation strategy for a site and all parties work with the supply chain to identify possible markets for recyclates and opportunities to introduce take-back schemes.

McGrath provides a waste container collection or exchange when requested by the construction contractor. The Waste Transfer Note includes a simple tick list which is used to identify the waste types within the consignment. McGrath collects the waste from the sites in the skips and containers and takes them to the material segregation facility in Hackney, where mixed wastes undergo sorting. The waste streams that McGrath sort from collected mixed waste include:

- timber;
- cardboard;
- paper;
- soils;
- inert materials;
- glass;
- plastics (U-PVC and mixed); and
- metal.

Materials are either processed into products on site or bulked and sent on to a specialist material processor. Recycling rates of 70 to 85% are typically achieved by McGrath.

McGrath meets with site managers on a monthly basis and also carries out regular site visits. The site visits help to ensure that the implemented systems are working at the site level and can include elements of training for site staff. For some of the larger waste management hubs McGrath provides staff to manage the site.

Figure 1 McGrath's materials recycling facility in Hackney



6.0 Data collection, collation and reporting

McGrath report waste arising and recycling data to Hackney Homes and the construction contractors on a monthly basis.

McGrath provides bespoke data reports to Hackney Homes and the construction contractors on a monthly basis to enable reporting against the project KPIs.

When a waste container is full, the construction contractor contacts McGrath to arrange for the collection or exchange of the container. At this point the construction contractor will give a brief description of the wastes in the container for inclusion on the Waste Transfer Note. This description is checked when the container is collected from site and again when it arrives at McGrath's waste management facility.

All waste entering and leaving McGrath's waste management facilities are weighed over the calibrated weighbridge and the tonnage of the waste is recorded automatically on the Company's computer system. McGrath uses the weighbridge data to calculate monthly average recycling rates for the facility and for the main waste streams.

On a monthly basis McGrath issues waste data reports to the construction contractors and to Hackney Homes to enable performance against KPIs to be determined. The reports show the following data for each waste consignment:

- Waste Transfer Note / weighbridge ticket number;
- customer name;
- construction site name and address;
- waste type – description and List of Wastes Code;
- McGrath waste management facility accepting the waste;
- date;
- container type and reference;
- waste tonnage;
- average recycling rate (for that material that month); and
- cost.

The report collates the data to show waste arising and waste recycled in the given time period. Data can be shown by customer, site or other variables.

Hackney Homes and the construction contractors use the data to track their performance against the project KPIs and to identify areas for improvement. McGrath uses the data to monitor waste facility recycling rates in order to identify areas where further improvement can be made.

7.0 Use of the Site Waste Management Plan

McGrath assists Hackney Homes and the construction contractors in ensuring the Site Waste Management Plan can be delivered.

Site Waste Management Plans (SWMPs) have been used throughout the Decent Homes Programme in Hackney to define waste arisings, how waste will be managed and to report waste data. The construction contractors generally prepare the SWMP for a project and McGrath assists by providing the data during the site operational phase. In some instances McGrath is involved in the preparation of the plan.

8.0 Auditing

Hackney Homes and the construction contractors undertake regular audits of McGrath's waste management facilities.

In the early stages of the supply chain agreement, Hackney Homes regularly visited McGrath's waste management facility and the construction sites to audit the waste management arrangements. The construction

contractors also undertake regular audits of McGrath, which include a review of documents and processes and questioning about site operations and systems.

McGrath also undertakes internal audits to support its environmental and quality management systems and their forthcoming third party accreditations. McGrath undertakes its operations in accordance with defined procedures; for example, the manufacturing of recycled aggregates is undertaken in accordance with the WRAP's quality protocol for the production of aggregates from inert waste¹.

9.0 Outcomes

Working in partnership across the supply chain has reduced costs, diverted waste from landfill and achieved Client objectives.

- Waste recovery rates for the whole programme of 70 to 85% - achieving the Council's requirements.
- Consistent waste management pricing structure which is competitive due to quantity of work.
- Innovative recycle markets identified by the supply chain.
- Approach to waste management agreed early in the construction process with the Client and construction contractors, ensuring that the service offerings are tailored to the requirements of the project and are understood by all parties.
- Significant cost savings achieved on the project through partnering across the whole supply chain, which has enabled Hackney Homes to make further improvements in the Borough.

9.1 Key learning points

Hackney Homes identified key learning points as:

- involving suppliers, including waste management companies, early in the process ensures that service offerings are optimised and understood by all parties;
- applying the partnering approach has delivered cost savings across the programme; and
- the whole supply chain can contribute to identifying innovative approaches to waste management.

McGrath identified key learning points as:

- partnering is beneficial to all parties involved and encourages continuous improvement;
- being involved in the construction process at an early phase, enables all parties to understand the services that can be offered and to agree a common approach; and
- providing a track record that delivers competitive advantage when offering services to other customers.

10.0 Next steps

Hackney Homes, the construction contractors and McGrath continue to work in partnership on the Decent Homes Programme and look at ways to improve their performance.

- The supply chain continues to explore waste minimisation and recovery options. Examples include, extending the likely serviceable life of new windows by standardising window fittings and handles, ensuring a supply of replacements is readily available and staff are trained to install them, and ensuring the future closed loop recycling of U-PVC windows.
- McGrath are looking at installing weighing systems on the conveyor belts within the materials recycling facility to aid detailed reporting on waste processing.
- The supply chain approach used in Hackney has been adopted by other Local Authorities.

¹ For more information refer to www.aggregain.org.uk/quality

11.0 Further information

WRAP has prepared a range of resources to assist construction contractors and waste management companies in achieving good practice waste recovery in construction. They are available at www.wrap.org.uk/construction

**Waste & Resources
Action Programme**

The Old Academy
21 Horse Fair
Banbury, Oxon
OX16 0AH

Tel: 01295 819 900
Fax: 01295 819 911
E-mail: info@wrap.org.uk

Helpline freephone
0808 100 2040

www.wrap.org.uk/construction

Printed on **xx%** recycled
content paper

