



# Co-operative Councils

## Innovation Network

### COMMUNITY



## Cheshire West and Chester Council

### Taking a cooperative approach to waste and recycling - Cheshire West Recycling (CWR) Ltd

Up until 2018, the Council's waste and recycling services were delivered by an external provider. Due to changes in their strategic direction, the external provider decided to exit the waste market and as a result, the Council agreed to terminate the contractual arrangement early. After a detailed options appraisal which considered key measurements including risk management, service delivery, and ability to generate social value, Cheshire West and Chester Council (CWaC) agreed to establish a waste collection and recycling service through a local authority trading (council) company. The company would have a social and environmental purpose and would be aligned to themes of the CWaC Council Plan.

Cheshire West Recycling (CWR), wholly owned by CWaC, commenced services in March 2020, operating in accordance with co-operative principles. CWR joined an established family of companies, either fully owned or part owned by the Council. Each company already generated significant levels of social value however with the establishment of CWR, it was a real opportunity to implement the co-operative model and to share the learnings of this across the wider group.

The company employ over 300 local people, make 18 million collections annually with almost 50% of their supply chain coming from the local region.

## **Purpose and Vision**

At the establishment of the company, a core founding principle and purpose was the delivery of social value. This included recruitment of local workforce, establishment of a local supply chain and supplier network. During implementation, significant work was undertaken around the development of values, behaviours and culture of the business which were co-produced with the workforce. This was really important given the TUPE transfer of some staff from the previous supplier alongside the recruitment of new people into the company. The drive for this was to encourage ownership and to instil a feeling of pride in working for a brand-new company. This included design of the logo, marketing and wider branding alongside the development of employee engagement, such as sofa clubs (informal sessions at depots) as well as surveys and feedback mechanisms.

Following the company's formal incorporation, the CWR Management Team working in partnership with the Council, quickly established both a long-term strategic vision and a year one operational business plan. Placing people at the heart of both key drivers ensured that CWR was able to effectively mobilise and to deliver services in a way that was safe and efficient.

***“People will be at the heart of everything we do, and everybody has a part to play. Our co-operative principles will embrace a collaborative approach to minimising the impact of waste on our community and work tirelessly to achieve zero waste”***

## **Company Governance**

Two nominated representative employee Directors were appointed to the company board to demonstrate the application of co-operative principles. Serving a term of 2 years, the employee directors form part of a wider board which includes executive and non-executive directors. Employee directors were nominated from a cross-section of the workforce, including waste collection loaders and drivers, alongside those in leadership positions. Employee Director roles are also remunerated.

In terms of areas of learning for the company, to those appointed to roles as employee directors, ensuring effective and continued training and support in regard to the role, particularly around the fiduciary duties and responsibility as a director and maintaining confidentiality around board matters. The company's Independent Board Chair (non-executive director) has a specific objective set by the Council, in capacity of shareholder to ensure a suitable programme of continuous professional development is in place for those employee directors.

For those directors who are employed in front line delivery roles, it is important for them to be supported in how they balance both roles. It is also important to seek to recruit employee director roles across the whole business, rather than employees feeling that the opportunities are only suitable for those in management roles.

In terms of learning for the future, the introduction of a mentor scheme to support the transition from outgoing to incoming employee directors. The intention is that this will support the recruitment of new directors who perhaps are not familiar to a formal company board structure and associated governance, however an experienced mentor who has undertaken the role will offer support and guidance as part of the induction process.

***“Becoming an employee director has really helped to bridge the gap between the workforce and the company board. Crucially, being involved in strategic decision making has allowed me to provide context and improve understanding as to how and why decisions are made and how these relate to our working processes”***

**Christine Skeldon, CWR Employee Director and Business Improvement and Project Manager**

Cheshire West Recycling is governed by a Member Agreement, Articles of Association and Memorandum of Understanding. These have been produced in accordance with the cooperative principles, ensuring the Stakeholder retains control over strategic and key decisions but in a manner that allows the independent Board, full and complete authority, power and discretion to direct, manage and control the business.

### **Mobilisation and go-live**

During the period of mobilisation for the new organisation, three co-operative partners were identified – Community, Staff and Council. Significant work was undertaken to explore and develop the thinking as to how a co-operative approach would be meaningfully applied and embedded into the new organisation.

To support development of these partnerships, CWR engaged with another council companies, Brio Leisure to promote health and wellbeing to the new workforce, Qwest Services to focus on Carbon Neutral initiatives), Vivo Care Choices and the Council’s Workzone (employment opportunities).

The full and active involvement of staff in the strategy and operations of the service formed a critical element of the development of these principles. For the initial transfer of staff, engagement took place in two key areas, relating to statutory TUPE consultation process with staff and recognised trade unions and by the company engaging transferring employees in the development of its vision and values.

### **What has been delivered?**

Following a year one focus upon smooth transfer of services and employees into the new organisation, CWR’s year two business plan focused upon both embedding a cooperative culture and optimising the performance of existing operations.

This was achieved through ensuring that “Every Person Influences Change” (EPIC). EPIC covered four key areas of focus with key targets and objectives for each. By linking directly to CWRs pillars of performance, EPIC provided clear and tangible actions that support the organisations long term vision.

The company's business plan also focused upon both embedding a cooperative culture and optimising the performance of existing operations.

## Living the cooperative approach

Over the last three years, significant progress has been made in delivering outcomes against these initial proposals.

	Community	Staff	Council
Proposal	Give residents opportunity to influence by providing views on direction of organisation and ways the service could be improved	Reduce reliance on temporary and agency labour, focusing on a stable, supported and local workforce	Fulfilling a "community stewardship" role, acting as the eyes and ears for the Council
Outcome	<ul style="list-style-type: none"> <li>✓ Residents provided with the opportunity to shape the new waste strategy via public consultation</li> <li>✓ Resident director influences strategic direction of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Shift to direct recruitment of staff via local media channels</li> <li>✓ Reliance on agency labour reduced</li> <li>✓ Introduction of HGV driver retention scheme to stable key element of the workforce</li> </ul>	<ul style="list-style-type: none"> <li>✓ New 'Collective' ICT platform empowers the workforce to act as the eyes and ear for the Council, reporting issues such as fly tipping etc</li> <li>✓ Introduction of defibrillator units in all new operational vehicles</li> </ul>
Proposal	Bespoke locality-based initiatives to tackle issues that matter to people in their own community	Employee Directors on the Board	Collaborative working with partners and other Council companies
Outcome	<i>Working in partnership with the council and local communities to develop tailored solutions where the rollout of twin bin recycling is not logistically viable</i>	<ul style="list-style-type: none"> <li>✓ Two workforce director roles appointed</li> </ul>	<ul style="list-style-type: none"> <li>✓ Collaborative working with Brio and QWest in relation to commercial waste collections and staff secondments</li> </ul>
Proposal	Engage voluntary sectors, charity organisations, schools and universities	Actively recruit from vulnerable or disadvantaged groups that the Council supports	Business Plan aligned to Council priorities
Outcome	<ul style="list-style-type: none"> <li>✓ Extension of the bulky waste partnership agreement with charity Changing Lives Together.</li> <li>✓ Robust relationships established with the Armed Services and ex-offender's services</li> </ul>	<ul style="list-style-type: none"> <li>✓ Proactive engagement with vulnerable groups, resulting in 6 employees recruited via the Councils care leavers programme</li> <li>✓ 2 employees via kickstart programme</li> </ul>	<ul style="list-style-type: none"> <li>✓ CWR's business plan is directly aligned with the Councils priorities, acting as a key enabler for the new waste strategy</li> </ul>
Proposal	Commitment to local employment of workforce and local supply chain networks	Commitment to apprenticeships and training and development opportunities	
Prop Outcome		<ul style="list-style-type: none"> <li>✓ One of our Own development programme has delivered.</li> </ul>	
Prop	Commitment to local employment of workforce	Partnership working (e.g., with Brio - health &	Delivery of service specification, truly

	and local supply chain networks	wellbeing for staff and their family)	accountable for its performance
Outcome	<ul style="list-style-type: none"> <li>✓ <i>Over 40% of supply chain now sourced from within the region</i></li> <li>✓ <i>Primary recruitment now targeted within the local area</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ <i>Introduction of striking branded collection vehicles, promoting Brio membership in exchange for reciprocal workforce incentives, promoting health and wellbeing</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ <i>Full delivery of service specification</i></li> <li>✓ Assurance via external accreditation <ul style="list-style-type: none"> <li>- ISO 9001, 14001 and 45001</li> <li>- CMS certification</li> <li>- CIWM affiliated organisation</li> </ul> </li> </ul>
Proposal	Empower communities with information and support to reuse and recycle more and waste less	Employee 'Have Your Say' programme -acted on by the Board	Robust performance management measures, encouraging innovation and efficiency
Outcome	<ul style="list-style-type: none"> <li>✓ <i>Working in partnership with the council to deliver targeted educational campaigns and resources</i></li> <li>✓ <i>Development of bespoke education resources to be hosted via a new CWR website</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ <i>Survey completed, 69% response rate</i></li> <li>✓ <i>Actions matrix developed and progressed by the leadership team</i></li> <li><i>Introduction of newsletters, electronic displays and sofa clubs</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ <i>Continued application of commercial management principles</i></li> <li>✓ <i>Proven track record of innovation and efficiency, as outlined throughout this document</i></li> </ul>

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