



# ARID (Accelerating Reprocessing Infrastructure Development)

External Programme Evaluation: Summary Report (February 2015)



# Background

ARID (Accelerating Reprocessing Infrastructure Development) was a £14 million capital support programme running between October 2011 and June 2015, which was designed to:

- Help Wales achieve its target of recycling 70 per cent of all waste by 2025, as set out in the Welsh Government's waste strategy *Towards Zero Waste*.
- Address areas of market failure identified in the Welsh Government's Collections, Infrastructure & Markets Sector Plan.

This document provides a summary of the findings from the external evaluation of the programme undertaken between October 2014 and January 2015 by Databuild Ltd. The evaluation considered the management, delivery and impact of the programme in relation to its strategic objectives and deliverables.

ARID provided capital funding to Small and Medium-sized Enterprises (SMEs) in the Welsh Convergence area for:

- Segregated collections services and 'bring' sites
- Waste management and reprocessing businesses, and
- Manufacturers using recyclates in production and packaging.

# Strategic objectives



**“The funding accelerated the development of our plan and it has had an incredibly positive impact.”**

ARID beneficiary

The ARID programme directly addressed the strategic objectives outlined in the *Operational Programme European Regional Development Fund 2007-2013*, Priority 4: Creating an Attractive Business Environment: Theme 2: Tackling Environmental Opportunities and Risks for Sustainable Economic Growth, by promoting sustainable business growth and new business opportunities in relation to future and indeed current environmental challenges and opportunities.

As outlined in the *Strategic Framework for Materials Efficiency*, the programme offered support to SMEs based in Wales' Convergence area to achieve more efficient management of materials' resources and in order to:

- Enhance competitiveness
- Reduces costs for businesses
- Reduce (raw) materials usage
- Reduce waste and its landfill, and
- Reduce greenhouse gas emissions.

The programme sought to establish and strengthen the materials resource management infrastructure within the Convergence area, by offering support:

- For the collections and reprocessing of waste, and
- For manufacturers to use recycled materials in production or packaging.

Specifically, ARID was developed to:

- Reduce levels of Commercial and Industrial (C&I) waste deposited in landfill through developing capacity to reprocess recyclable waste in Wales
- Promote projects which add value to recycled materials and ensure quality input materials are readily available for use by the manufacturing sector, and
- Intervene across all elements of the resource loop.

# Delivery

“The grant enabled us to do things quicker by two and half years as it would have taken that long to save money up.”

ARID beneficiary

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ARID provided funding for:

- **Collection services and ‘bring’ sites** to increase access to recycling services for Welsh SMEs, improve recycling rates and secure a consistent supply of quality material for the reprocessing sector.
- **Developing reprocessing infrastructure** to add value to recycled materials and ensure quality input materials were available for use by the manufacturing sector.
- **Waste management businesses** seeking to add equipment and infrastructure to existing facilities, to improve recycling rates and the quality of recycled outputs available for onward reprocessing, and
- Equipment for **manufacturing** SMEs to convert to using, or increase the percentage of, recycled materials used in production and packaging, leading to increased market demand for recycled and reprocessed materials.

Grant applicants were supported through the development and delivery of their projects by WRAP Cymru Business Account Managers. Successful applicants were contracted to deliver outputs for waste diversion from landfill and job creation.

Low value projects (£50,000 or less) reported against targets over a three-year period, whereas larger grant applicants were required to commit to delivering targets over five years. Applicants provided evidence of outputs achieved as part of the grant monitoring process.

# Achievements

The evaluation of the programme has reported that ARID significantly increased reprocessing infrastructure in Wales, enabling more C&I waste to be diverted from landfill and improving recycling rates. It is adding value to recycled materials by raising its quality, and has increased both the demand for and the availability of high quality recycled materials.

## Quantitative impacts

Forecasted results over a three to five-year period:



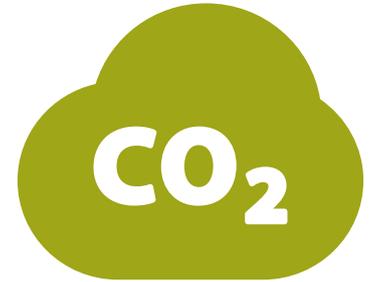
**398,847 tonnes**

of waste reduced,  
reused or recycled



**178 new jobs**

created amongst  
businesses supported



**79.49 KT**

carbon emissions  
avoided

**“The assistance with putting everything together was really good; they made themselves available to aid with any problems. The [application] process was handled quite well and the local contact was very good, making herself available all the time.”**

ARID beneficiary

The table below illustrates the forecast outputs for ARID over the grant monitoring period and highlights its ability to deliver substantial benefits for the Convergence area. The programme is on track to exceed its three key targets – it will achieve these over a three year period for grants supporting collections facilities and recycled content, and five years for grants supporting large-scale and small-scale reprocessing activity.

	Waste Reduced/ Reused/Recycled	Jobs Created	Carbon Emissions Avoided (Kt)
Target	326,220	106	65.51
Forecast 3-5 years	398,847	178	79.49
% of Target Achieved	122%	168%	121%

The figures above represent estimates of the impacts arising from the 54 grants awarded at the time the research was undertaken (October 2014). However, by the end of the programme in June 2015, it is estimated that 70 projects will have been supported, and so the total impacts of the fund are likely to increase.

In addition to providing monitoring tonnages and jobs impacts from ARID grants, seven beneficiaries interviewed during the evaluation were able to quantify additional sales as a result of ARID support, reporting an annual sales increase of £2.1 million between them. This suggests additional sales in the order of £3 million to £4 million per year across the organisations supported through ARID.

**“Staff from WRAP Cymru were very helpful and approachable, and it was managed well.”**

ARID beneficiary



## Qualitative impacts

ARID directly addressed the strategic objectives outlined in the Operational Programme European Regional Development Fund 2007-2013, Priority 4: Creating an Attractive Business Environment: Theme 2: Tackling Environmental Opportunities and Risks for Sustainable Economic Growth, by promoting sustainable business growth and new business opportunities in relation to future and current environmental challenges and opportunities.

It helped businesses:

- **Access additional funding**  
The award of an ARID grant implied that WRAP Cymru had a level of confidence in the business that helped them access further investment from banks and other funding sources.
- **Increase in confidence**  
The funding and support gave some smaller beneficiaries increased personal belief in their own ability to succeed and grow their businesses. They saw the award of a grant as a vote of confidence, which helped them to raise their aspirations and work on further development and expansion of their businesses.
- **Access new materials**  
A significant number of the grants were made to allow beneficiaries to access specific new materials, by starting new collection services or processing waste, which they previously sent to landfill.
- **Meet new business contacts**  
The programme also provided networking opportunities enabling beneficiaries to develop working relationships with other ARID beneficiaries.
- **Rethink the ways they work**  
The funding and support seems to have moved a significant proportion of the businesses into a new dimension, acting as a catalyst or multiplier.
- **Improve business management**  
A number of beneficiaries now have a specialist consultant almost “embedded” as part of the management team, which is improving business management.

# Case Studies

## 1 South Wales Wood Recycling



ARID funding helped this family-run Bridgend business buy equipment to enable it to handle higher volumes. As a result the business has grown by 30 per cent.

**Without ARID support we would have been unable to purchase the additional equipment and our capacity would have remained bottlenecked.**

Kevin Burke, Site Manager

## 2 Scott Waste Management



Thanks to ARID funding, this recycling collections business bought three new vehicles, a forklift truck and a mill-sized baler. Consequently revenue is up 100 per cent, it employs five more staff, and its clients include John Lewis and B&Q.

**What could have taken two to three years to achieve using our own cash flow could be achieved in just one year. WRAP Cymru has acted as a positive catalyst for growth, and this year we are growing at a far quicker rate, making the goal of our own transfer station a real possibility this year.**

William Scott, Owner and Director

## 3 Williams a Williams Cyf



ARID funding contributed to a source-segregated 'bring' site and collections for tourism businesses, which helped Williams a Williams Cyf cut costs and increase revenue, and gave North Wales' tourism sector access to high quality recycling collections.

**As well as the help and support received, the doors that have opened as a result of working with WRAP Cymru and the contacts we've made have been priceless.**

Meurig Jones, Managing Director

# The Future

Some beneficiaries stated they would welcome further capital funding, however feedback indicates that there is also an ongoing need for business support, particularly in the smaller ARID beneficiary companies that are mainly reliant on the owner for planning and major decision-making.



Many of the businesses valued WRAP Cymru's technical expertise and help with networking, particularly in finding markets for recyclates and exploring new business opportunities.

## **Key recommendations for future programme development, suggested by the researchers on the basis of their interviews with beneficiaries, include:**

- Providing revenue (consultancy) support alongside any capital programme, since it is very clear that when linked together it has exponential capacity to effect change and enhance outcomes.
- Further capital and revenue support focusing on priority waste streams.
- An online directory of Welsh businesses across the resource management sector, for collectors, reprocessors, or users of recyclate. This would be valuable for facilitating contacts between those who have and those who can use particular resources.
- Loan schemes at advantageous rates, to offer product or process development support to manufacturers, or as a means to bring forward purchases by companies who may be able to afford a capital purchase themselves in a few years' time.
- Behaviour change training that has the capacity to influence investment, increase recycling, improve quality, and improve uptake of recycled materials by manufacturers. This is of particular relevance in the light of the current source segregation regulation changes.
- Training and guidance for improved IT use for tracking waste, similar to that now used in the logistics and delivery industry, where customers and users can easily follow the progress of a consignment online. Many small operators still rely on hand-written Waste Transfer Notes (WTN) and other documents which are laborious and time-consuming.

# About WRAP Cymru

WRAP Cymru is part of WRAP. WRAP's mission is to accelerate the move to a sustainable resource efficient economy through reinventing how we design, produce and sell products, rethinking how we use and consume products, and redefining what is possible through recycling and reuse. It works, uniquely and by design, in the space between governments, businesses, communities, innovative thinkers and individuals – forging partnerships and developing ground-breaking initiatives to help the UK use resources more sustainably.

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