

Review of the Reuse Credit Scheme

Report of the Chief Officer for Highways, Infrastructure Development and Waste

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

Recommendation: It is recommended that the Committee

- (a) recognises the contribution that the Reuse Credit Scheme (RCS) has made to encouraging furniture reuse in Devon, and the commitment of staff, volunteers and customers in supporting RCS schemes;
- (b) approves the *Proposal* to 'Discontinue the RCS through a phased reduction in allocation; 2020/21 - £49,000, 2021/22 - £25,000 (furniture only), 2022/23 - £0';
- (c) considers allocating the proposed savings made in 2021/22 towards a new Waste and Recycling Advisors (WRA) contract to enable additional resources to have a wider impact.

1. Summary

In October 2018, the Devon Authorities Strategic Waste Committee (DASWC) noted that consideration was being given to the continued allocation of funding for the *Reuse Credit Scheme* (RCS), and that consultation and discussion with groups would follow.

This report updates members with progress, summarises consultation feedback, and presents a proposal which encourages existing RCS groups to develop sustainably, without the need for ongoing financial support from DASWC's limited dedicated joint waste fund.

The RCS review recognised that the scheme was now one element of a range of reuse activities delivered by the partner authorities, and that in recent years the growth in the charity reuse sector resulted in inequitable support for RCS groups based on legacy arrangements.

Whilst the RCS supports the diversion of waste from disposal, and generic environmental benefits of the RCS were acknowledged, consultation responses clearly highlighted a range of other principal benefits, particularly social, such as 'supporting families in need' and training and employment. Whilst these wider benefits are recognised and valued, they are not, as principal benefits, sufficiently aligned to the Committee's *Terms of Reference* or strategic ambitions to warrant continued funding from this limited and dedicated joint waste budget in an increasingly diverse and competitive reuse marketplace.

It is therefore proposed that dedicated funding provided through the RCS is discontinued as the *Proposal (with timing amended as below)* and that RCS groups are offered a voluntary programme of 'business support' to optimise their operations to help them become more self-sustaining following the reduction and withdrawal of the RCS from April 2022. This date is later than the original *Proposal* due to the need to allow groups time to prepare for reduced funding.

Given the success of the WRA contract in engaging householders on a one to one basis and advising them on how to increase their participation in reducing, reusing and recycling their

waste it is proposed that the committee considers allocating savings from the RCS scheme towards expanding the new WRA contract when it is retendered in 2021.

2. Background

The *Reuse Credit Scheme* (RCS) was established in 1996 by the Devon Authorities Waste Reduction and recycling Committee as an incentive mechanism to reduce the amount of bulky furniture sent for disposal (landfill). The RCS currently supports 14 registered groups through a financial 'credit' paid for furniture (and other items) diverted from the domestic waste stream for redistribution. Since its inception, the RCS has supported the diversion of 14,000 tonnes of furniture based on established 'item to weight' conversion factors, attracting discretionary tonnage-based RCS payments of £770,000.

The RCS is one of four schemes currently funded by DASWC through a discretionary 'top-slice' fund generated by the sacrifice of recycling credits by the Waste Management functions East Devon, Exeter City, Mid Devon, North Devon, South Hams, Teignbridge, Torridge, West Devon and, voluntary contributions from Devon County Council and Torbay. All joint schemes are monitored through DASWC.

Table 1 illustrates (1) individual partner contributions to the DASWC 'top-slice' fund, (2) number of RCS groups in each area, (3) RCS allocations for those groups, (4) and RCS tonnage diversion based on the RCS credit rate £61.91 / tonne (2018/19).

DASWC Authority	(1) Total DASWC Contribution (2018/19)	(2) Number RCS groups	(3) Total RCS Allocation (2018/19)	(4) RCS Tonnage Diversion
East Devon	£10,694	1	£1,551	29
Exeter	£9,967	1	£7,249	117
Mid Devon	£7,598	1	£6,984	118
North Devon	£10,293	2	£5,225	96
South Hams	£9,202	3	£11,196	181
Teignbridge	£13,086	2	£5,386	77
Torridge	£7,351	1	£2,013	35
West Devon	£4,905	2	£6,600	93
Torbay	£16,254	1	£886	15
Devon County Council*	£96,650	n/a	£1,910	n/a
Total	£186,000	14	£49,000	761

*DCC Allocation (3) represents RCS Management Fee (£1,910) paid to ReFurnish.

Table 1 – DASWC Contributions, RCS allocations and Tonnage

In 2016, the inaugural DASWC meeting approved a new Constitution and Terms of Reference which included a more strategic purpose to *'promote sustainable, cost effective and efficient service delivery through a shared approach to resource and waste management in Devon'* (DASWC HCW/16/9).

In October 2018, DASWC approved the 2019/20 RCS budget proposal of £49,000, however in accordance with this more strategic focus, the accompanying report (DASWC HIW/18/62) also noted that;

'Consideration is being given to the continued allocation of this funding to be used in this way to sustain reuse and the potential to reduce the credits and/or ensure that an element is

used to increase re-use, for example for new starts. This would require a period of consultation and discussion with groups receiving credits regarding their business plans which will be carried out in the coming months with a view to potential changes in 2020/21 or sooner if considered appropriate'

This review is therefore not a reflection of the committee's lack of support or recognition of the broad scope of benefits provided by the various RCS operating models, nor the commitment shown by staff, trustees, volunteers and customers over the past 23 years, but a review against DASWC's defined purpose within the context of the limited discretionary funding available for partner authorities.

3. Review of the Reuse Credit Scheme

Following the October (2018) DASWC, an Officer Review Group (RG) completed a review of the RCS and identified the following proposals for the consultation;

- Option 1 (*Proposal*) - 'Discontinue the RCS through a phased reduction in allocation'
- Option 2 - 'Continue to fund the RCS, with modifications'
- Option 3 - 'Continue to fund the RCS under current arrangements'

Option 1 (*Proposal*) was agreed by the RG as the basis for the consultation, and in January 2019, the RG met with representatives of RCS groups to discuss the *Proposal* and timescales for the review.

Whilst all DASWC joint funded schemes are subject to an annual funding application and approval process, the *Proposal* presented an enhanced transitional arrangement incorporating a phased reduction in allocation over two years; 2019/20 - £49,000 (as approved – HIW/18/62), 2020/21 - £25,000 (furniture only), 2021/22 - £0'. This transitional arrangement was intended to provide groups with an extended period of certainty beyond the 6 months routinely afforded. A return to payments for 'furniture only' in 2021/22 aligns RCS payments to the original intent of the scheme.

Whilst the RCS is the longest supported initiative by the joint committee, it should be noted that the Committee is not bound by an obligation to fund schemes in perpetuity.

The open consultation included (i) an online consultation questionnaire containing 12 mandatory and 1 optional question, and (ii) an 18-page *Impact Assessment* (IA) (appendix 2).

The RCS consultation was launched on the 25th February, for 6 weeks, and hosted via the existing Devon County Council 'Have your Say' consultation website. In addition to RCS group networks, the consultation was extended to Members, local authority officer groups, Town and Parish Councils and media outlets via DCC press office. Alternative format responses were also accommodated. The consultation was extended from 5th April until 12th April to accommodate further input on request.

The consultation received 869 responses 'Online', 11 via 'alternative format' (letter / email) and 1,188 signatures via 'petition'. A summary of consultation responses can be found in Appendix 1.

Across all response formats (online / alternative format / petition), 98% of respondents (2,018) indicated that DASWC should continue to support Option 3 - 'continue to fund the RCS under current arrangements'. However, user analysis indicated that less than 2% of

respondents (41) accessed the IA. Many comments as illustrated below alluded to this missed opportunity for more considered input;

'If it ain't broke, why change it'.

(Supported: Option 3 – Continue to fund the RCS under current arrangements)

The supporting IA is a standard element for consultations and linked directly from the RCS consultation home page. The RCS IA outlined the background to the RCS, reasons for change, and options and recommendations based on the following principal considerations;

1. The RCS is one element of a range of Reuse actions delivered by the partnership.
2. RCS payments are made for non-waste materials with subsequent disposal savings representing hypothetical, rather than actual savings.
3. RCS groups represent one element of the wider reuse network attracting RCS payments of £60t, in addition to the inherent item value.
4. Reuse Credits are one of a range of Local Authority support mechanisms.
5. The RCS has evolved to include more items and at higher cost than the original intention of the scheme.
6. None of Devon RCS groups, submitting financial returns to the Charity Commission, had any concerns raised by independent financial examiners.
7. Challenges faced by Devon's RCS groups appear to reflect those experienced by the wider charitable sector.

The IA also recognised that over the past 23 years, the 'reuse' retail sector has evolved considerably, both for the wider industry, such as charitable organisations including charity shops, eBay and social networks, and for RCS group operations. In contrast to its founding years, DASWC is now a minor stakeholder in group operation, providing approximately 5% of RCS group income for Devon's largest group, ReFurnish, who in-turn receive 75% of RCS total income. The RCS therefore provides a funding, not management, function with 95% of group income reportedly generated through item sales, donations and grants.

Whilst the 'generic' environmental benefit of the RCS was referred to by a third of respondents, the majority of perceived benefits (66%) were assigned to a multitude of 'other' aspects including social, financial and practical considerations. The largest 'other' category reflected the social benefit of the schemes, in particular 'supporting families in need' representing half of all comments within the 'other' category.

Petition signatories (1,188) supported the proposition;

'We the undersigned support Option 3 for DCC to continue to fund the Reuse Credit Scheme'.

4. Recommendation

Whilst the RCS review and consultation identified many varied, complex and interlinked benefits for many Devon residents, the RCS is predicated on the diversion of bulky waste away from disposal. However, with the significant growth in the furniture reuse sector in recent years, this incentive mechanism is no longer required or equitable, due to the range of alternative options now available and sought by households to reuse furniture and other items.

The consultation identified that whilst generic 'environmental' benefits were acknowledged, most comments related to 'other' principal benefits with the greatest 'demand' for the RCS evident through socially related elements such as 'supporting families in need'. Whilst these

wider benefits are recognised and valid, they are not sufficiently aligned to the strategic purpose of DASWC to warrant continued support from this dedicated and defined fund.

It is therefore recommended that the Committee approve the Proposal to 'Discontinue the RCS through a phased reduction in allocation. However, the dates should move backwards a year to give the groups time to adjust to the reduced funding i.e. 2020/21 - £49,000, 2021/22 - £25,000 (furniture only), 2022/23 - £0'.

It is also recommended that RCS groups are offered third party business support to ensure they maximise opportunities to provide sustainable, efficient and attractive business models. Whilst groups are not obliged to apply for this support, current programmes include the EU funded '*Enhance Social Enterprise Programme*' or '*Growth Support Programme*'. This supplementary support is intended to mitigate any negative impacts resulting from this Proposal and to ensure that these well supported groups continue to flourish in this competitive marketplace.

DASWC authorities will continue to support reuse by carrying out a Bulky Waste Service Review, continued development of reuse at Household Waste Recycling Centres and through the work of the Community Action Groups and the Devon Reuse Project Officer.

It is proposed that the potential savings made by bringing the RCS to an end could be allocated to the new WRA contract from 2021/22. The WRA contract is proving very successful in terms of engaging householders face to face and assisting them to improve their recycling habits as well as encouraging them to reduce and reuse their waste.

5. Consultations/Representations/Technical Data

The RCS Review consultation was hosted on the Devon County Council 'Have your say' website. Consultation questions are included in Appendix I with the supporting Impact Assessment included in Appendix II.

6. Financial Considerations

The RCS utilises 26% of the joint DASWC fund with a capped fund value of £49,000. Approval of the Proposal will enable the Committee to reallocate this funding to initiatives which directly support its strategic aims. RCS groups operate autonomously, and it is not envisaged that there will be any distinguishable knock-on costs for the partnership waste authorities.

7. Sustainability Considerations

Devon Authorities will continue to support targeted reuse initiatives in policy and action in fulfilment of local, national and EU waste strategy. The Government through its Resource and Waste Management Strategy for England is keen to support reuse, repair and manufacture. Following on from this reuse will have a high profile in the new Resource and Waste Strategy for Devon.

8. Carbon Impact Considerations

Promotion of reuse initiatives will continue for Devon authorities to reduce waste and the carbon impacts of raw material manufacture. Reuse is an action in Devon's Climate Emergency Action Plan.

9. Equality Considerations

The RCS Impact Assessment (published) is included in Appendix II.

10. Legal Considerations

There are no legal issues to consider in relation to this report.

11. Risk Management Considerations

Voluntary business support will be offered to help address any issues arising from the withdrawal of the scheme.

12. Public Health Impact

No public health impacts are associated with this report.

Meg Booth
Chief Officer for Highways, Infrastructure Development and Waste

Electoral Divisions: All

Local Government Act 1972: List of Background Papers

Contact for enquiries: Iain Stevens

Room No. Matford Offices, County Hall, Exeter EX2 4QD

Tel No: (01392) 383000

Background Paper	Date	File Reference
Nil		

is260919daswc Review of the Reuse Credit Scheme
hk 04 021019

Review of the RCS – Consultation Response Summary

Consultation questions.

- 1) In your view, what are the main benefits of the RCS?
- 2) Do you currently use RCS funded projects?
- 3) In what capacity do you use RCS supported projects?
- 4) Which option do you support?
- 5) If you support Option (1) - 'Discontinue the RCS through a phased reduction in allocation', please explain why?
- 6) If you support option (1) - 'Discontinue the RCS through a phased reduction in allocation', is the reduction proposed (2019/20 - £49,000, 2020/21 - £25,000 (furniture only), 2021/22 - £0) reasonable?
- 7) If you support Option (2) - 'Continue to fund the RCS, with modifications', what modifications do you suggest?
- 8) If you support Option (3) - 'Continue to fund the RCS under current arrangements', please explain why?
- 9) How would the Proposal (Option 1) impact on you?
- 9a) About you: Representation (question added 28th Feb)
- 10) About you: Age
- 11) About you: Postcode
- 12) Optional Question: How could DASWC encourage new ways of reducing, reusing or recycling household waste?

The RCS consultation received 869 responses 'Online', 11 responses via 'alternative format' (letter or email) and a further 1,188 signatures via 'petition'.

All 'Online' and 'alternative format' comments were assessed, and each element assigned against the relevant theme to provide a representative 'count'. Each theme within each comment raised by each consultee contributed towards the relevant theme count, so all comments received are represented in the evaluation.

Summary of Consultation Responses:

Response % (no.):	Option 1 (Proposal)	Option 2	Option 3
Online (869)	1% (8)	5% (40)	94% (821)
Alternative (11)	9% (1)	9% (1)	82% (9)
Petition (1,188)	0% (0)	0% (0)	100% (1,188)

Option 1 (Proposal) - 'Discontinue the RCS through a phased reduction in allocation'

Option 2 - 'Continue to fund the RCS, with modifications'

Option 3 - 'Continue to fund the RCS under current arrangements'

70% of respondents visiting the RCS consultation 'home page' (*Have your Say*) completed the consultation, with approximately 2% (41) of all respondents accessing the *Impact Assessment*.

Table 1 illustrates the distribution of online respondents based on their indicated post code, and the 'heat map' illustrates the areas generating the greatest response rate, notably Exeter, Totnes and Crediton areas.

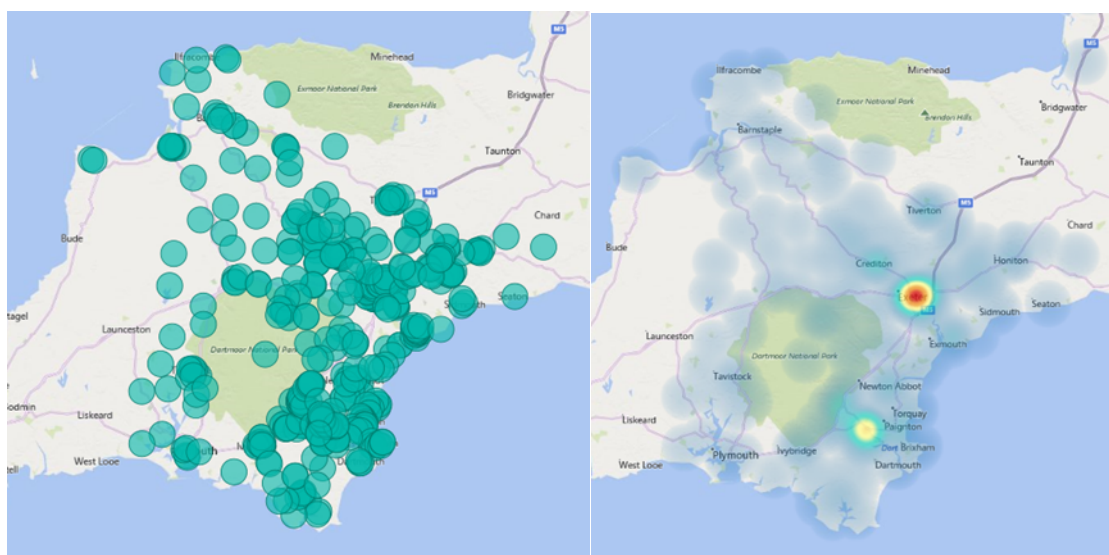


Table 1 – RCS Consultation – Stated origin of online respondents.

Consultation Responses – Online

Note: Count includes Alternative Responses

Q1 - In your view, what are the main benefits of the Reuse Credit Scheme?

On average, respondents identified 2 benefits of the RCS each comprising; 58% 'Other', 34% 'Environmental' and 8% 'Financial'. 'Other' categories comprised the following main classifications; 49% - Support families in need (social benefit), 9% - Support training / development / employment, and 7% - Community cohesion.

Social benefits of the RCS funded schemes encompassed a wide range of impacts including;

'Without turntable homeless families would move into our properties and be sleeping on bare floors. Turntable is essential'. (Stated Age: 30-39)

Concerns about fly tipping were raised by 49 respondents with a further 57 indicating that the RCS reduces the use of local authority schemes such as bulky waste collections and Recycling Centres.

Keeping perfectly good items from going to landfill. If I take my unwanted goods to a recycling centre, most of it goes to landfill. (60+)

Within the 'other' benefit category, 4% indicated that the RCS was valuable for referral agencies such as health professionals with a further 2% (25) indicating that RCS schemes support individual health and wellbeing.

Social and health - providing opportunities for volunteering - which helps social interaction, can help mental health, prevent loneliness and generally contribute to people's wellbeing. (60+)

Q2 – Do you currently use RCS funded projects?

83% - 'Yes', 14% - 'No', 3% 'Not sure'.

Q3 – In what capacity do you use RCS supported projects?

51% - 'Customer', 22% - 'Not specified', 15% - 'Referrer', 9% - 'Staff', 3% - 'Volunteer'.

The user profile indicates that 80% of those *donating* items are 50yrs+ with 6% below 39yrs old. Those purchasing items as *customers* indicate a more diverse profile with 21% below 39yrs reflecting the trend for increasing reuse for younger generations.

'Referrers' included 46% - not specified, 21% - community social support and 15% charities. Other referrers included healthcare professionals, housing associations and mental health support services.

Q4 – Which option do you support?

Option 3 – 'Continue to fund the RCS under current arrangements', was the preferred option for Online (94%), Alternative Format (70%) and Petition (100%). Overall, 98% of respondents supported Option 3.

Q5 – Q8, provided the opportunity for respondents to explain why they supported their selected preference with representative comments below.

Q5 – Option 1 (proposed) – Discontinue the RCS through a phased reduction in allocation

'Turntable is an excellent service, however there are other organisations that do not have access to the scheme that also provide furniture. It is vital that these organisations find new methods of financing themselves.' (50-59yrs)

Q6 – If you support Option 1, is the reduction proposed reasonable?

'I would scrap it immediately and am unsure why the phased reduction.' (50-59yrs)

Q7 – If you support Option 2 – Continue to fund the RCS, with modifications, what do you suggest?

Defined modifications were not specified by the consultation which sought user opinion.

47% indicated an 'operational review and change' to RCS schemes, with 31% indicating the identification of alternative funding sources or a cap on funding / grant provision.

'in Collaboration with the groups you fund, find a new system, maybe certain cost cuts can be made.' (21-29)

There are a lot of Refurnish stores, do we really need them all? I would be really sad to see them go, but perhaps focus them to certain areas? (30-39)

Obtain some funding from other parties if project able to demonstrate benefits beyond recycling eg rehabilitation, enabling some reduction of grant but not complete phasing out (60+)

Q8 – If you support Option 3 – Continue to fund the RCS under current arrangements, explain why?

With data indicating that 2% of consultees accessed the *Impact Assessment*, 98% of respondents did not consider the considerations contained. This outcome reflects a missed

opportunity for meaningful dialogue against those principal considerations indicated in section 3 of the report (1-7).

94% of respondents selecting support of Option 3 in Q4 provided reasons for their selection as follows; 34% - supports communities and families, 21% - a valuable resource which works well, 13% - the groups need the funding and 7% that the scheme reduces local authority costs.

'I believe in the present form of Refurnish and would be very disappointed to see false economies made around it due to compartmentalised (sic) thinking which would not truly benefit anyone in the long term.'

'If funding is withdrawn, we don't just lose an important service, we lose more of the invisible glue that helps us to help each other and make society society rather than a series of atomised interests. If we can't give to each other we lose an indefinable but vital part of what makes us human'

'The productivity per £/pound spent with Refurnish and proper job etc is very high due to the added value that these organisations are able to lever in by being not for profit and well supported in the locale by volunteers and donations.'

Q9 – How would the Proposal (Option 1) impact on you?

Question responses were understandably diverse with the largest single category (14%) indicating that the Proposal would 'impact vulnerable people'. Other impacts included that it would force closure of schemes (10%), items would be sent for disposal instead (10%), detrimental impacts on low income families (10%), and that the respondent's quality of life would be impacted (10%).

Overall, 54% of respondents to this question were aged over 50yrs, with 24% between 40-49yrs. 5% of respondents cited that schemes provided a 'vital' delivery / collection service and of those, 49% were +60yrs, with a further 16% aged between 50-60yrs. This reflects an area of interest where delivery / collection obstacles for furniture in particular may inhibit use of local authority collection services such as bulky waste collections or Recycling Centres.

The remaining questions gathered demographic information which indicated that 74% of respondents classified themselves as 'member of the public', 4% 'staff / volunteers', 3% 'Town / Parish Council' and 18% 'Other' which comprised 21% 'social support services', 17% 'charity sector' and 15% 'local authority officers'.

Age was included to establish a profile of service users which illustrated that over half of respondents were aged 50+yrs with the greatest response rate (28%) from those 60+yrs. According to UK data, 60yrs+ represents the largest segment without internet access and therefore this 'online' response rate is welcome. 47% (396) of respondents were under 50yrs, including 6% (49) under 30yrs.

Table 2 illustrates the cumulative profile for responses received via the Online consultation throughout the original and extended period.

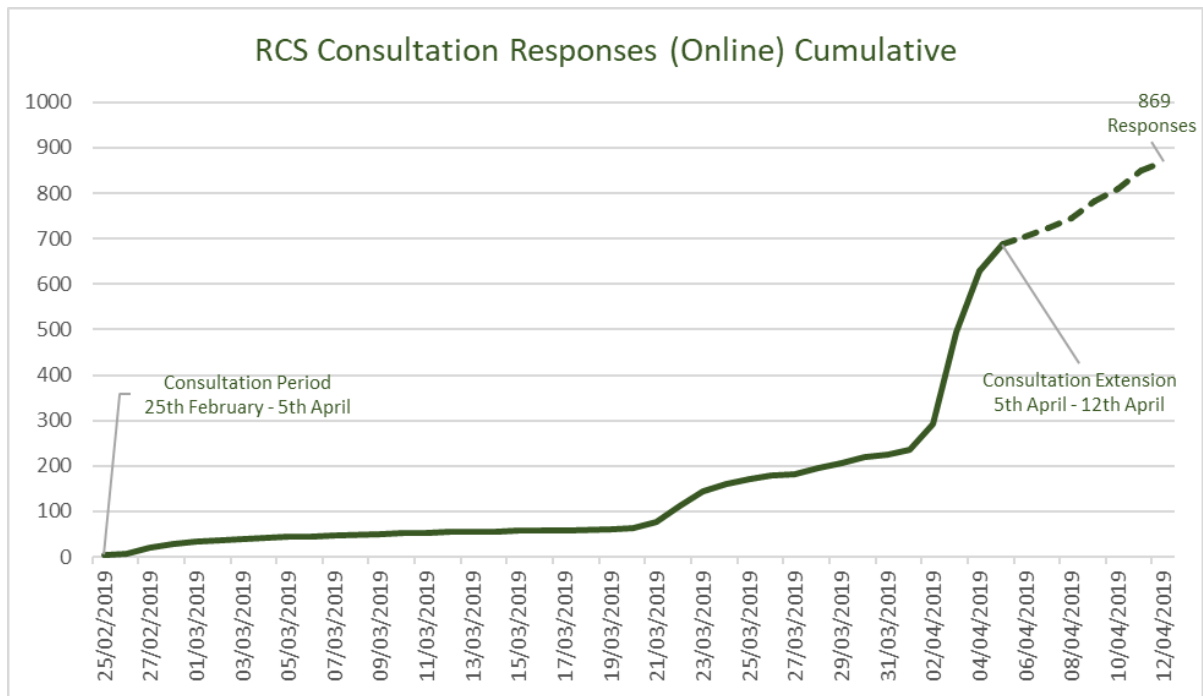


Table 2 – RCS Consultation Responses (Online) Cumulative

Impact Assessment

Version 2017

To publish, please send a dated PDF to impactassessment-mailbox@devon.gov.uk

Assessment of:	Reuse Credit Scheme Devon Authorities Strategic Waste Committee (DASWC).
Service:	Waste Management

Head of Service:	Meg Booth
Date of sign off by Head Of Service/version:	
Assessment carried out by (incl. job title):	Iain Stevens (Waste Management Officer)

Section 1 - Background

Description:	<p>The Reuse Credit Scheme (RCS) is a joint funded Devon Authorities Strategic Waste Committee (DASWC) initiative which pays a financial 'credit' to registered groups for furniture and other items recovered from the domestic waste stream for redistribution. The RCS was designed as an incentive mechanism to reduce the amount of waste sent for disposal (landfill), but it is recognised that schemes also provide social benefit.</p> <p>Funding for the RCS is provided by the Waste Management functions of Devon County Council, East Devon, Exeter City, Mid Devon, North Devon, South Hams, Teignbridge, Torridge, West Devon and Torbay, and the scheme is monitored through DASWC.</p> <p>Established in 1996, the RCS has supported the diversion of 14,000 tonnes of furniture based on established 'item to weight' conversion factors, attracting tonnage-based RCS payments of £770,000. This diversion</p>
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	<p>indicates disposal savings of £190,000, but this assumes that (1) the items would have otherwise been disposed (landfill) and (2) items are still in use.</p> <p>One quarter of the DASWC budget is assigned to the RCS (£49,000), which is one of four discretionary projects currently supported by the committee.</p> <p>The RCS has 14 registered groups which operate within RCS guidance, however overall project management remains at the discretion of individual groups. The RCS now provides approximately 5% of total RCS group income with the remainder generated through item sales, donations and grants.</p> <p>The RCS benefits from an ability to demonstrate tangible outcomes through tonnage and cost, and as a 'reuse' activity supports policy ambitions driven by the <i>Waste Hierarchy</i> (Reduce, Reuse, Recycle, Recovery, Disposal) and <i>Circular Economy</i>. As a result, the RCS has consistently received member support since 1996 and individual groups comprising, staff, trustees, volunteers and customers are recognised for their positive contribution to environmental, and social challenges.</p>
Reason for change/review:	<p>In 2016 the Devon Authorities Waste Reduction and Recycling Committee (DAWRRC) was replaced by DASWC with a more strategic purpose to '<i>promote sustainable, cost effective and efficient service delivery through a shared approach to resource and waste management in Devon</i>' (DASWC report reference - HCW/16/9).</p> <p>At its October 2018 meeting (HIW/18/62), DASWC noted that consideration was being given to the continued allocation of RCS joint funding to ensure the committee continued to fulfil its more strategic purpose (HCW/16/46). This project review was prompted by a recognition that partner authorities are increasingly supporting a wider range of community-based reuse activities at a time when additional obligations are being placed on authorities through National and partner-wide strategies.</p> <p>If Option 1 (Proposal) is approved, members would determine how the funds would be allocated to support the work of DASWC reflecting the strategic driver for this review.</p>

Section 2 - Impacts, options and recommendations

See sections 3, 4 and 5 for background analysis

Options Appraisal and Recommendations:

This review aims to assess the merits of the continued allocation of RCS joint funding from a finite and dedicated waste management partnership budget, balanced against the increasing need to invest in new initiatives as outcomes of (a) *Resources and Waste Management Strategy for Devon*, and (b) *Resources and Waste Strategy for England*.

DASWC has supported the RCS since its inception, 22 years ago, based on the merits of the scheme. However, it is recognised that the initial RCS fund was incentive based and not intended as a 'recycling credit' or to provide ongoing revenue support. Whilst the RCS partnership funding was a key motivation in those founding years, the partnership is now a minor stakeholder in RCS groups reflecting the success of the schemes involved.

DASWC funding allocations from the joint fund remain discretionary with individual schemes required to submit annual budget proposals for DASWC approval. This routine process ensures that the joint fund remains focussed on the priorities of partner authorities at that time.

A desk-based review of the RCS was carried out during November 2018, resulting in the Proposal (Option 1.) below.

Option 1. (Proposal)

Discontinue the RCS through a phased reduction in allocation as follows; 2019/20 - £49,000, 2020/21 - £25,000 (furniture only), 2021/22 - £0.

Note: Payments for 'furniture only' (2020/21) returns claim eligibility to the original intent of the RCS and will ensure that groups continue to receive funding for furniture items. Group allocations would still apply from this reduced budget. Retained funding would potentially be used to support emerging strategic DASWC objectives.

Option 2.

Continue to fund the RCS, with modifications (subject to proposals nominated through the consultation).

Option 3. (no change)

Continue to fund the RCS under current arrangements.

Note: Option 2. / Option 3. (no change) - All schemes are required to submit annual budget proposals which are subject to DASWC approval. Proposals which demonstrate value for money and contribute to delivering committee's strategic purpose may be supported, however these options do not guarantee long term financial support.

The Proposal (Option 1) is based on the following considerations emerging from the desk-based review;

Consideration 1.

The RCS is one element of a range of 'reuse' actions delivered by partnership authorities.

Devon's waste authorities are investing in an increasing range of 'reuse' activities including improvements to Recycling Centre (HWRC) reuse shops, increasing diversion of good quality 'bulky waste' for reuse, appointment of a County-wide Reuse Officer to encourage community led behavioural change, provision of Waste & Recycling Advisors, initiation and support of Devon Community Action Groups (CAG) and promotion of reuse and repair opportunities for households.

Consideration 2.

RCS payments are made for 'non-waste' materials (i.e. donated) with subsequent 'disposal savings' representing hypothetical, rather than actual savings. Alternative non-disposal routes exist.

Diversion cost savings assume that 100% of the furniture collected by RCS groups would otherwise be sent for disposal. However, donations to RCS groups are not defined as 'waste' and alternative non-disposal routes exist such as charities, E-bay, freecycle and other social reuse networks.

Consideration 3.

RCS groups represent one element of the wider reuse network attracting RCS payments of ~£60/t, in addition to the inherent item value.

Good quality reusable items represent a potential income stream for the vendor. *Recycle Devon* indicates that there are approximately 150 charity shops in Devon and despite increasing numbers accepting furniture (~50% in Exeter), they are not eligible for RCS payments which amount to a supplementary average RCS payment of £2 per item (range 19p to £8.05 per item). For a typical project sofa priced at £50, the RCS contributes an additional £2.60. The majority of Devon's charity shops accept RCS items classed as 'miscellaneous' and therefore this scheme provides preferential support for RCS groups who represent ~10% of the charity reuse sector in Devon.

Consideration 4.

Reuse Credits are one of a range of local authority support mechanisms for RCS groups, including rate relief.

Whilst RCS groups are managed independently, the majority also receive up to 80% business rate relief which is the principal support mechanism provided. Other grants and support may also be provided through local authority budget headings for RCS groups and the wider charity sector.

Consideration 5.

The RCS has evolved to include more items, and at higher cost, than the original intention of the scheme.

With an initial £15 per tonne RCS payment for furniture only, the scheme now attracts over £60/tonne for furniture and other miscellaneous items which for the latter, now form the bulk of RCS claims. DASWC also provides a dedicated administration payment (£1,900) as part of the total allocation.

Consideration 6.

None of Devon's RCS groups submitting financial returns to the Charity Commission, had any concerns raised by independent financial examiners.

It is recognised that the financial opinion included RCS income, however none of the groups assessed indicated any matters of financial concern to auditors during the latest available assessment.

Consideration 7.

Challenges faced by Devon's RCS groups appear to reflect those experienced by the wider charitable sector.

Joint Committee (DASWC) RCS funding application reports, routinely cite the fragility of RCS project finances, indicating that termination or reduction in RCS payments may result in the closure, or reduced provision, of projects. However, the National Council for Voluntary Organisations reflect many of the pressures faced by RCS groups across their membership. Financially, between 3 – 9 months reserves are considered a general 'rule of thumb' illustrating the typical tight operating margins for the industry. The support offered through the RCS, whilst valued, does not appear to address unique challenges faced by RCS projects alone and therefore represents inequitable charitable support based on legacy arrangements.

Despite the challenges noted, the charity retail market is evolving with reported sales increasing throughout the sector. RCS groups therefore have equal opportunities to thrive, subject to maintaining an efficient and attractive offer.

Within the context of the funding providers (waste management), the proposed removal of funding for the RCS over a two-year period provides an additional element of security during transition. DASWC typically provides a six month notice period between funding application (October) and start of the new scheme year (April). It is

	<p>therefore envisaged that the 24mth transition period would allow the development and implementation of mitigation measures through efficiencies or operational changes.</p> <p>Impacts on individual groups will vary subject to their inherent profitability, however it is recognised that any negative impact on schemes with a principal focus on social benefit, may be impacted through a requirement to change the current operating model which may lead to the introduction, or increased charges for users.</p> <p>Environmentally, the Proposal would not necessarily result in increased waste for disposal as donations could feasibly be made to other organisations / networks. Furthermore, local authorities do not have statutory recycling targets and so the 'loss' of annual reported RCS tonnage (~700t) within the context of the 440,000t of waste managed by partner authorities represents <0.1% of the recycling rate.</p>
Social/equality impacts (summary):	<p>Social impacts of the RCS are generally recognised through the provision of goods to those in need, hardship or distress either free of charge, or at a reduced cost through referral mechanisms such as local authorities, housing associations and social services.</p> <p>Groups indicate that they also provide training and employment opportunities for people suffering social exclusion, long term unemployment or other constraints. Whilst these social aspects are alluded to in committee reports, the detail is generally omitted because as a contributory discretionary allocation, the RCS is principally motivated by environmental impact, notably the reduction of waste to landfill.</p> <p>However, it is also recognised that local authorities should lead by example and whilst social benefits may not align directly with the strategic purpose of DASWC, there may be wider benefits which need to be recognised. The consultation will therefore enable broader, tangible benefits of the RCS to be gathered prior to the final proposal being presented to DASWC in June 2019.</p> <p>Devon's largest groups (ReFurnish, Turntable), representing 80% of the scheme membership, indicate that their activity supported over 21,000 households in 2017/18 through the provision of over 60,000 items. RCS groups also indicate that through their social objectives, volunteer opportunities were provided for 126 people, representing over 13,000 volunteer hours for ReFurnish alone.</p>
Environmental impacts (summary):	<p>Reuse is the second priority of the <i>Waste Hierarchy</i> (Waste Framework Directive: 2008/98/EC) and the UK through strategy is committed to taking measures to encourage reuse and repair networks.</p>

	<p>Furniture reuse contributes to a <i>Circular Economy</i> which enables materials to be kept in circulation for longer thus reducing the environmental impact of the original manufacture and distribution of goods, from raw material consumption to emissions.</p> <p>Discarded furniture has historically been disposed to landfill, although increasing opportunities exist to divert some elements for reuse and energy recovery reducing the environmental impact.</p>
Economic impacts (summary):	<p>Costs of waste collection and disposal continue to increase and so the diversion of furniture to the reuse market reduces potential disposal costs for partner authorities.</p> <p>In 2017/18, the RCS paid the equivalent credit of £63 per tonne for 774 tonnes of furniture (£49,000) which, if disposed through local authority disposal routes, would incur costs of approximately £91,000.</p> <p>The proposed removal of funding however will not, by intent, result in the closure of all RCS groups and so it is envisaged that the diversion of good quality furniture through these groups, and other networks, would continue.</p> <p>Reusable furniture sold via Recycling Centres (HWRCs) specifically, generates income which offsets the cost of providing the service.</p> <p>If the Proposed option is approved, DASWC members will consider how to allocate this funding to support other strategic objectives.</p>
Other impacts (partner agencies, services, DCC policies, possible 'unintended consequences'):	<p>Reuse schemes have increasingly been driven by anti-poverty and social need agendas. Environmental and waste outcomes within this context may be coincidental and typically not the principal motivator.</p> <p>Referral agencies who rely on the provision of RCS groups may be impacted where as an outcome of this process, RCS groups close or change their policies. However, as the RCS represents a marginal financial contributor to the overall operation of groups, it is envisaged that efficiencies and changes to operational practices will be sufficient to overcome the withdrawal of funding from April 2021.</p> <p>The RCS is monitored by partner authorities which includes the processing and auditing of claims, however RCS administrative costs are not factored into the total cost of the RCS.</p>
How will impacts and actions be monitored?	<p>Following the consultation, the RCS review group will present a final proposal to the June 2019 DASWC.</p>

	Subject to the outcomes of this consultation, and where appropriate, investigation may also be made with other statutory functions of partner authorities to explore alternative funding sources based on cost benefits provided by RCS groups.
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Background Analysis

This section describes how relevant questions and issues have been explored during the options appraisal.

Section 3 - Profile and views of stakeholders and people directly affected

People affected:	RCS groups and users.
Diversity profile and needs assessment of affected people:	<p>With the exception of Turntable, RCS groups are open to the general public for the sale of reused furniture and other household items and, represented in each partner authority area. Deliveries and collections may also be made for customers, although charges may apply. Turntable (Exeter) specifically supplies furniture to people who are referred by social and other support workers.</p> <p>Membership of the RCS requires compliance with legal requirements, quality & safety standards and financial monitoring, however the RCS guidance does not specify operational and management policy.</p> <p>Discounts are available for some customers and through referral, groups may offer items free of charge.</p> <p>DASWC does not hold information about the user profile for RCS groups.</p>
Other stakeholders (agencies etc.):	The consultation will be open to all residents of Devon and other parties by notice from the target consultee; RCS groups.
Consultation process and results:	<p>The consultation will be hosted on the Devon County Council 'Have your say' website. https://new.devon.gov.uk/haveyoursay/</p> <p>Following DASWC (October 2018), the RCS Review Group has completed a desk-based review with the Proposal agreed by partners through the Devon Environmental Services Management Group (DESMG) and Officers Forum.</p>

	<p>In January 2019, the RCS Review Group officers met RCS group representatives to discuss the Proposal and timescales.</p> <p>This impact assessment has been published as part of the consultation, launched in February 2019 for six weeks. The final proposal will be agreed in April 2019 by the RCS Review Group and presented to DASWC in June 2019.</p>
Research and information used:	<p>A desk-based review was completed in November 2018, assessing the merits and considerations for the scheme based on internal RCS monitoring data, RCS group representation input and external references including the Chartered Institute of Wastes Management (CIWM), Charity Commission, and the Charity Retail Association (CRA).</p>

Section 4a - Social Impacts

Giving Due Regard to Equality and Human Rights

The local authority must consider how people will be affected by the service, policy or practice. In so doing we must give due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity and
- Foster good relations.

Where relevant, we must take into account the protected characteristics of age, disability, gender, gender reassignment, pregnancy and maternity, marriage and civil partnership, sexual orientation, race, and religion and belief.

This means considering how people with different needs get the different services they require and are not disadvantaged, and facilities are available to them on an equal basis in order to meet their needs; advancing equality of opportunity by recognising the disadvantages to which protected groups are subject and considering how they can be overcome.

We also need to ensure that human rights are protected. In particular, that people have:

- A reasonable level of choice in where and how they live their life and interact with others (this is an aspect of the human right to 'private and family life').

- An appropriate level of care which results in dignity and respect (the protection to a private and family life, protection from torture and the freedom of thought, belief and religion within the Human Rights Act and elimination of discrimination and the promotion of good relations under the Equality Act 2010).
- A right to life (ensuring that nothing we do results in unlawful or unnecessary/avoidable death).

The Equality Act 2010 and other relevant legislation does not prevent the Council from taking difficult decisions which result in service reductions or closures for example, it does however require the Council to ensure that such decisions are:

- Informed and properly considered with a rigorous, conscious approach and open mind, taking due regard of the effects on the protected characteristics and the general duty to eliminate discrimination, advance equality and foster good relations.
- Proportionate (negative impacts are proportionate to the aims of the policy decision)
- Fair
- Necessary
- Reasonable, and
- Those affected have been adequately consulted.

Characteristics	<p>In what way can you eliminate or reduce the potential for direct or indirect discrimination, harassment or disadvantage?</p> <p>Are there any lawful, reasonable and proportionate, unavoidable negative consequences?</p>	<p>In what way can you advance equality (meet needs, encourage participation, make adjustments for disabled people, 'close gaps').</p> <p>In what way can you foster good relations between groups (tackle prejudice and promote understanding), if relevant?</p>
All residents (include generic equality provisions):	RCS groups are autonomous organisations for which the RCS supports their activities with a discretionary contribution. RCS groups operate	Devon authorities are investing in reuse initiatives, primarily through the initiation of community based and led projects. By their nature, these projects typically support socially inclusive objectives.

	<p>throughout Devon, for all residents, and do not knowingly discriminate against any sector of society.</p> <p>If as the result of this Proposal being approved, schemes close or change their operating practices, this decision will be made by individual groups themselves based on their ability to address the resulting shortfall through efficiencies, changing operational practices or alternative funding sources. These decisions will be based on their view of actions required to sustain their operations.</p> <p>On average, RCS group projects are allocated £3,000 per group in range between £187 - £7,250. For the largest group (ReFurnish) RCS funding represents less than 4% of turnover.</p> <p>To mitigate possible negative consequences of scheme closures or changes, this Proposal offers a phased reduction in payments over two years.</p>	
Age:	RCS groups operate throughout Devon and for all residents and do not knowingly discriminate against any sector of society.	Devon authorities are investing in reuse initiatives, primarily through the initiation of community based and led projects. By their nature, these projects typically support socially inclusive objectives.
Disability (incl. sensory, mobility, mental health, learning disability, ill health) and carers of disabled people:	RCS groups operate throughout Devon and for all residents and do not knowingly discriminate against any sector of society.	Devon authorities are investing in reuse initiatives, primarily through the initiation of community based and led projects. By their nature, these projects typically support socially inclusive objectives.

Culture and ethnicity: nationality/national origin, skin colour, religion and belief:	RCS groups operate throughout Devon and for all residents and do not knowingly discriminate against any sector of society.	Devon authorities are investing in reuse initiatives, primarily through the initiation of community based and led projects. By their nature, these projects typically support socially inclusive objectives.
Sex, gender and gender identity (including men, women, non-binary and transgender people), and pregnancy and maternity (including women's right to breastfeed).	RCS groups operate throughout Devon and for all residents and do not knowingly discriminate against any sector of society.	Devon authorities are investing in reuse initiatives, primarily through the initiation of community based and led projects. By their nature, these projects typically support socially inclusive objectives.
Sexual orientation and marriage/civil partnership:	RCS groups operate throughout Devon and for all residents and do not knowingly discriminate against any sector of society.	Devon authorities are investing in reuse initiatives, primarily through the initiation of community based and led projects. By their nature, these projects typically support socially inclusive objectives.
Other socio-economic factors such as families, carers, single people/couples, low income, vulnerability, education, reading/writing skills, 'digital exclusion' and rural isolation.	<p>RCS groups operate throughout Devon and for all residents and do not knowingly discriminate against any sector of society.</p> <p>The social value of the RCS will be assessed as part of this consultation however the policy decision will take a balanced view against DASWC's principal function <i>'To promote sustainable, cost effective and efficient service delivery through a shared approach to resource and waste management in Devon'</i>.</p>	Devon authorities are investing in reuse initiatives, primarily through the initiation of community based and led projects. By their nature, these projects typically support socially inclusive objectives.
Human rights considerations:	RCS groups operate throughout Devon and for all residents and do not knowingly discriminate against any sector of society.	

Supporting independence, wellbeing and resilience?

Give consideration to the groups listed above and how they may have different needs.

In what way can you support and create opportunities for people and communities (of place and interest) to be independent, empowered and resourceful?	Devon authorities are investing in reuse initiatives, primarily through the initiation of community based and led projects. CAG Devon project is one example, with 7 groups taking action on waste reduction and reuse. Since 2016, the project has delivered over 70 events involving 6,000 attendees and over 3,400 volunteer hours, indicating disposal savings of £76,000. The CAG project is predicated on enabling and supporting community groups, schools and individuals to organise community events to develop a network of sustainable initiatives leading to behavioural change.
In what way can you help people to be safe, protected from harm, and with good health and wellbeing?	Promotion of schemes which align with the <i>Waste Hierarchy</i> provide opportunities for improvements to health, the environment and wellbeing.
In what way can you help people to be connected, and involved in community activities?	DASWC will continue to support the development of community led initiatives which can contribute towards community cohesion and resilience through 3Rs initiatives.

Section 4b - Environmental impacts

An impact assessment should give due regard to the following activities in order to ensure we meet a range of environmental legal duties.

The policy or practice does not require the identification of environmental impacts using this Impact Assessment process because it is subject to (please select from the table below and proceed to the 4c, otherwise complete the environmental analysis table):

	Devon County Council's Environmental Review Process
	Planning Permission
	Environmental Impact Assessment
	Strategic Environmental Assessment

	<p>Describe any actual or potential negative consequences.</p> <p>(Consider how to mitigate against these).</p>	<p>Describe any actual or potential neutral or positive outcomes.</p> <p>(Consider how to improve as far as possible).</p>
Reduce, reuse, recycle and compost:	<p>DASWC has supported the RCS for 22 years and over this period RCS schemes have thrived.</p> <p>With RCS payments now accounting for ~5% of RCS group turnover, it is envisaged that groups operating within a customer focussed, efficient and sustainable model will continue to thrive.</p> <p>Where groups are no longer supported by the RCS, they will not be obligated to report their ongoing tonnage diversion data to local authorities. The impact of this change represents <0.1% of the current recycling rate.</p>	<p>Management of the RCS incurs administrative obligations for RCS groups and partner authorities. Discontinuing the RCS would remove these demands for both parties.</p> <p>DASWC and partner authorities will continue to support reuse initiatives and continue to create conditions which helps all reuse groups to prosper.</p> <p>Discontinuing the RCS will allow DASWC to reinvest in opportunities and requirements through local and national waste policy.</p>
Conserve and enhance wildlife:	n/a	n/a
Safeguard the distinctive characteristics, features and special qualities of Devon's landscape:	n/a	n/a
Conserve and enhance Devon's cultural and historic heritage:	n/a	n/a

Minimise greenhouse gas emissions:	<p>Extending the useful life of products reduces harmful impacts of production of new goods.</p> <p>This Proposal intends to withdraw funding for an established scheme, which appears to operate in a broadly sustainable way. It is therefore not envisaged that there will be any significant long-term impact on furniture reuse in Devon as the result of this Proposal. Alternative options for furniture reuse exist and partners will continue to promote reuse opportunities including; https://www.recycledevon.org/reuse</p>	Alternatives exist for the reuse of household furniture and it is envisaged that any negative impacts of the Proposal would be mitigated by alternative providers / schemes.
Minimise pollution (including air, land, water, light and noise):	Extending the useful life of products reduces harmful impacts of production of new goods.	None.
Contribute to reducing water consumption:	n/a	n/a
Ensure resilience to the future effects of climate change (warmer, wetter winters; drier, hotter summers; more intense storms; and rising sea level):	Extending the useful life of products reduces harmful impacts of production of new goods.	None.
Other (please state below):	n/a	n/a

Section 4c - Economic impacts

	Describe any actual or potential negative consequences.	Describe any actual or potential neutral or positive outcomes.
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	(Consider how to mitigate against these).	(Consider how to improve as far as possible).
Impact on knowledge and skills:	<p>Many RCS schemes provide training opportunities for individuals, including those with a range of personal and social challenges. Some individuals subsequently move into alternative employment and this economic benefit is recognised.</p> <p>This Proposal intends to withdraw funding for an established scheme, which appears to operate in a broadly sustainable way. It is therefore not envisaged that there will be any significant long-term impact on the operation of RCS schemes in Devon as the result of this Proposal.</p>	<p>Alternatives exist for the reuse of household furniture and it is envisaged that any potential negative impacts of the Proposal would be mitigated by alternative providers / schemes.</p>
Impact on employment levels:	<p>Devon's largest group, representing 70% of RCS groups, employs 26 staff but RCS wide employment is not known. It is not envisaged that there will be any significant long-term impact on RCS schemes in Devon as the result of this Proposal.</p>	None.
Impact on local business:	<p>RCS groups may have contractual agreements for the lease of premises. Should this Proposal impact on those agreements, RCS groups will be responsible for ensuring that their legal obligations are met.</p>	None.

Section 4d -Combined Impacts

Linkages or conflicts between social, environmental and economic impacts:	RCS schemes demonstrate social, environmental and economic benefits, however under current local authority structures, linkages and conflicts may occur where service areas, responsible for their unique statutory functions, operate within constrained financial boundaries. Therefore, under the current structure, principal service objectives (waste management) remain the priority for service area spend. Consideration of the wider benefit however may be presented to other service areas for their own merit-based assessment.
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Section 5 - 'Social Value' of planned commissioned/procured services:

How will the economic, social and environmental well-being of the relevant area be improved through what is being proposed? And how, in conducting the process of procurement, might that improvement be secured?	n/a
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