

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Member for Climate Change and Sustainability
<b>Date:</b>	23 September 2021
<b>Title:</b>	Hampshire Reuse Service
<b>Report From:</b>	Director of Economy, Transport and Environment

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### Purpose of this Report

1. The purpose of this report is to outline and seek approval for the continued development of a project which will introduce and evaluate the concept of a new reuse service across Hampshire.

### Recommendations

2. That the Executive Member for Climate Change and Sustainability approves a proposal to create a Hampshire Reuse Service Pilot Project.
3. That the Executive Member for Climate Change and Sustainability approves a change in the way that some bulky waste items at Household Waste Recycling Centres (HWRCs) are treated, by diverting them into the new reuse service, as set out in this report.
4. That authority be delegated to the Director of Economy, Transport and Environment for the procurement and spend as set out in Table 1, associated with the set up and operation of the project, including entering into any necessary contractual arrangements and leases, in consultation with the Executive Member for Climate Change and Sustainability and the Head of Legal Services.

### Executive Summary

5. This paper sets out the context, aims and direction of travel for a new approach to managing and supporting reuse in Hampshire.
6. The ongoing demand for low-cost good quality items of furniture for those in crisis or on low incomes, the need to reduce bulky waste going to landfill and the associated cost of disposal this entails, and to support the circular economy, requires a new approach to managing reuse in Hampshire.
7. Consultation with stakeholders, combined with learning from previous initiatives and research on best practice elsewhere, has led to the development of a project which it is anticipated will provide an effective and sustainable way of

meeting the demand for furniture and other household items for those in need, while reducing the environmental and economic impact of bulky waste sent to landfill.

8. The project is now reaching the end of the development stage, with infrastructure and resources being put in place to begin a pilot scheme in north-west Hampshire.

### **Contextual information**

9. Access to low-cost good quality furniture and other household items is vital to those in crisis; people being rehomed after periods of homelessness or domestic violence often require diverse items of furniture at very short notice. To those on a low income, access to low cost, good quality furniture can be a lifeline which helps them furnish their homes without getting into debt or having to make sacrifices on other essentials such as food or fuel.
10. Although it is difficult to get a complete picture of need across Hampshire, a recent consultation of Hampshire-based reuse charities which deliver local welfare services, showed that in the last year referrals have increased by between 50-80% on 2019 levels, and that the ongoing impacts of Covid 19 are likely to continue to exacerbate the situation. Many organisations, including Hampshire County Council and district councils, rely heavily on these reuse charities for supply of low-cost furniture and other household items to clients.
11. In addition to the need for low-cost furniture, the issue of disposing of bulky waste is a significant one for Hampshire County Council. Bulky waste is one of the only remaining material types disposed of via landfill in Hampshire, which comes at a premium and is the least environmentally desirable waste management option.
12. In 2019/20 the Council disposed of approximately 31,000 tonnes of waste to landfill, resulting in a cost of over £2.8million in landfill tax alone (excluding gate fees and other contract costs). This is largely made up of unwanted furniture and other large household items received from either kerbside collections or deposited through the Household Waste Recycling Centre (HWRC) network. Research undertaken at the HWRCs and transfer stations, where bulky waste is deposited, has shown that a substantial proportion of this material could be suitable for reuse (directly or with minor repair) if collected and managed differently.
13. Hampshire County Council has committed to achieving carbon neutrality within its own organisation and for the whole of Hampshire by 2050. Driving the circular economy through increased reuse and repair and towards zero landfill will be key to achieving this target.
14. This, combined with the sustained need for furniture and other household items for those in crisis, and the continued disposal of items potentially suitable for reuse into landfill, has highlighted the need for a new approach to increase reuse in Hampshire. A solution is required which makes reuse an easy and

convenient option for Hampshire residents, support those in crisis, and helps to sustain the services provided by local furniture reuse charities.

## **Proposal**

15. Working with its waste contractor Veolia UK Ltd, colleagues from the County Council's Adult Services Department and in consultation with a range of key stakeholders, including local furniture reuse charities, the Authority has developed an alternative approach to reuse. The concept is based on best practice from similar schemes across the UK and Europe and lessons learnt from previous projects.
16. It is proposed to divert suitable items for reuse initially from selected HWRCs, and, at a later date, from kerbside bulky waste collections, direct delivery from the public and other sources to a series of 'Reuse Hubs' (the Hubs) strategically placed across the County. Participating HWRCs would be configured with areas clearly indicating where suitable items can be donated to be diverted directly to the Hubs. This will complement the existing HWRC Reuse Areas where residents can already donate and buy second-hand items taken to the sites.
17. It is proposed that furniture reuse charities which deliver local welfare assistance in Hampshire will be able to access the Hubs and take items of furniture for free to support their activities. To ensure fairness, a system of Mutual Credit would also be put in place, allowing participating charities a certain amount of 'credit' for storage when they themselves have excess stock, with the ability to 'withdraw' items when they are experiencing an increased demand. This system will help to alleviate their key financial pressures of storage and turnover.
18. It is important to note that it is not the intention of the project to replace the role or services provided by furniture reuse charities. The charities will remain the key contacts for referrals to access low-cost furniture for those in need.
19. Although the focus of the service will be to support local furniture reuse charities, it is anticipated that a proportion of suitable items coming into the Hub would be sold, predominantly online. This will help to manage the turnover of items coming into the Hub, as well as generate an income to sustain the service and support the circular economy in Hampshire. Work has already been undertaken with the Hampshire County Council Insights and Engagement Team to identify and target donating and buying behaviours, and a marketing strategy has been partially developed.
20. The project will also provide education and skills opportunities for volunteers through reuse and repair activities carried out at the Hub, further promoting a mindset of seeking alternatives to waste at all levels.

## **Progress to Date**

21. To minimise risk within the project, a 'proof of concept' pilot is currently being developed in partnership with Veolia, who recognise the potential for this project

to increase reuse, improve landfill diversion performance at the HWRCs and add social value.

22. The County Council has a long-standing lease with Test Valley Borough Council (TVBC) for a building in East Portway, Andover, and it is proposed that this site becomes the first Hub. Test Valley Borough Council Planning Team has advised that the proposed use of the building would be considered Permitted Development. Currently, 40% of the building's capacity is occupied by a furniture reuse charity that undertakes repairs and upcycling, and it is anticipated that their activities will complement the work of the project.
23. A minimum of three HWRCs are being identified to participate in the pilot initially, and discussions are ongoing with Veolia to put in place operational arrangements at the selected sites and agree the terms of the pilot in relation to the HWRC contract.
24. Recruitment of a dedicated resource to oversee management and operation of the Hub is being initiated.
25. A select number of local reuse furniture charities who provide welfare assistance have been consulted on the project proposal and their feedback has been incorporated into the project design. Initial discussions indicate that at least two local charities would make use and access furniture from the Hub in Andover.

## **Finance**

26. To support project development and set up phase of the pilot, a budget of £300k has been allocated under the Waste and Resource Management Waste Prevention budget.
27. Additional funding of £100k has also been secured from the Local Welfare Assistance Budget to support this proposal.
28. The anticipated costs to set up the project and the on-going running costs for the following two years are identified in table 1.
29. The funding streams to support the set up and on-going running costs for the first three years are identified in table 2.
30. It should be noted that these forecast costs are presently not discounted by income streams that the project may generate, as these are uncertain at this time. The costs presented are the anticipated maximum exposure that the Waste Prevention Programme will face, and is prepared to meet from its annual budget, which is derived from on-going savings within the waste budget as a result of the Programme's other actions. Every effort will be made to minimise expenditure and cost increase over the course of the pilot.

**Table 1:**

Anticipated costs associated with the set up and running of the pilot project for the first 3 years

Table 1	COSTS			
	Set up costs	Yr 1	Yr 2	Yr 3
<b>One off set up costs</b>				
Building works	£ 140,000			
Communications	£ 20,000			
Administration	£ 3,000			
Miscellaneous	£ 10,000			
<b>Total set up cost</b>	<b>£ 173,000</b>			
<b>On-going running costs</b>				
Building		£ 35,000	£ 35,000	£ 40,000
Staff		£ 43,269	£ 44,605	£ 45,982
Transport (inc drivers and fuel)		£ 65,000	£ 65,000	£ 65,000
Building works & equipment		£ 10,000	£ 10,000	£ 15,000
Communications		£ 10,000	£ 10,000	£ 10,000
Administration		£ 2,000	£ 2,000	£ 2,000
Miscellaneous		£ 5,000	£ 5,000	£ 5,000
<b>Total running costs</b>		<b>£ 170,269</b>	<b>£ 171,605</b>	<b>£ 182,982</b>
<b>TOTAL COST</b>	<b>£ 173,000</b>	<b>£ 170,269</b>	<b>£ 171,605</b>	<b>£ 182,982</b>

**Table 2:**

Identification of how the project will be funded (both set-up costs and on-going costs) for the first 3 years.

<b>Funded by</b>				
Local Welfare assistance budget	£ 100,000			
Waste prevention budget - one-off investment	£ 73,000	£ 170,269	£ 56,731	£ -
On-going waste prevention budget A088B			£ 114,874	£ 182,982
<b>TOTAL FUNDING</b>	<b>£ 173,000</b>	<b>£ 170,269</b>	<b>£ 171,605</b>	<b>£ 182,982</b>

31. The responsibility of the lease (in place until 2074) and management of the East Portway building will sit with the Economy, Transport and Environment (ETE) department from 22 October 2021. The transition of responsibilities for the building is being overseen by Property Estates in conjunction with ETE.
32. It is likely that the building will require some minor modifications to make it suitable for use as a Hub and to maximise storage capacity.
33. Currently, the existing charity occupants pay Hampshire County Council the equivalent of 40% of the total building costs in line with the proportion of the building they use. Their presence is anticipated to support negotiations on business rates relief with TVBC.

34. The Hub operations will be overseen by the role of a Reuse Hub Manager supported by local volunteers. This role would be a new fixed-term position based within the Waste & Resource Management section structure, supported by the Waste Prevention budget (as indicated in table 1).
35. A suitable IT system will be needed to record and monitor donated furniture and other household items from point of capture (i.e. HWRCs) through to end destination (i.e. a local reuse charity). This system will help monitor and manage the supply and demand of items through the Hub and provide transparency on the performance of the project as well as the intended Mutual Credit system. The application of Power App technology will be investigated to minimise costs alongside utilisation of existing corporate payment systems.
36. To help manage the flow of items through the Hub and offset the cost of the pilot, items not meeting the needs of the charities at the time will be sold to generate income. A number of Local Authorities already sell items online for income generation and the project has reached out and spoken to a number of them to identify potential issues and lessons learnt. eBay is the most popular ecommerce site and the one most commonly used by Local Authorities.
37. Hampshire County Council's Legal Department has advised that the County Council has a general power of competence to do "anything that individuals generally may do" under the Localism Act 2011. This general power would enable the Council to sell items online, so long as it obtains best value as required by the Local Government Act 1999.
38. Advice has been taken from Hampshire Trading Standards to ensure that the project adheres to all legislation and best practice relating to online sales of second-hand furniture and other household items.
39. Discussions are on-going with Veolia as part of the HWRC contract extension negotiations regarding any loss of income from the sale of reusable items diverted from HWRCs. It is intended this will be based on an income share arrangement between the County Council and Veolia from the sale of items through the Hub.
40. Any surplus income received (although this is considered unlikely at this proof-of-concept phase) will be invested into developing a second Hub elsewhere in the County.

## **Performance**

41. The aims of the project are to:
  - support local furniture reuse charities which deliver welfare assistance to those in need;
  - increase the reuse of furniture and other household items while reducing the amount of bulky material entering the waste system and going to landfill; and
  - support and develop the circular economy in Hampshire.

42. The outcomes of the project will be:
- a reduction in the amount of waste going to landfill;
  - greater support and increased capacity for Hampshire furniture charities that deliver local welfare;
  - increased access to low cost/free good quality furniture in a timely manner for residents in crisis/need;
  - increased awareness of the social and environmental benefits of reuse across Hampshire; and
  - demonstrative support for the concept of establishing a circular economy.
43. Performance of the project will be measured through a reduction in the number of items being sent to landfill, as well as anonymised data from participating local reuse charities on the number of residents being supported. Other social value indicators, such as the number of volunteers/volunteer hours will also be put in place.

### **Long-term Strategy**

44. When the pilot has been delivered and evaluated to determine proof of concept, the intention is to gradually roll out the project across Hampshire with Hubs sited at strategic points across the County. This would be supported by the Waste Prevention budget with additional funding sought from external sources.
45. Once past the proof of concept, the County Council will seek to enter conversations with Veolia involving a contract variation to take ownership of the 'reuse' material through the HWRC service. In doing so, work will be carried out to ensure the end result does not leave either or both parties being in a worse-off financial position.
46. The evaluation of the pilot project will demonstrate the potential for income generation. It is anticipated that the reuse service will not become self-sufficient until economies of scale are achieved. This has been advised by projects of a similar nature and scale set up elsewhere in the UK.
47. Further to this, any surplus generated through the roll out of the reuse service would be invested in other activities which support local communities and those in crisis.
48. The long-term aspiration of the project is to create a stand-alone, self-sufficient reuse service which is accessible to all Hampshire residents, supports the welfare assistance activities of local furniture reuse charities and facilitates behaviour change to reduce the amount of waste disposed in Hampshire.
49. To complement this work, the County Council will continue to engage with Government on policy development that supports the shift towards a circular economy through greater reuse and repair.

## **Consultation and Equalities**

50. A total of six local furniture reuse charities, varying in size and location were consulted in May 2021 on the design of the project, and their feedback has been incorporated into its development.
51. Residents were also consulted on their views regarding furniture reuse as part of the annual Hampshire County Council Waste Prevention Reuse Tracker survey which was last carried out in 2019.
52. In answer to the question '*What would encourage you to have furniture or appliances reused rather than disposed of?*', the most popular response (42%) was a '*reuse-only collection service*' and 34% of respondents stated '*More places to take items for reuse*'. See Appendix 1 for the summary of results of the survey.
53. The Equalities Impact Assessment completed for the project shows that it will have a neutral impact on staff and public with protected characteristics. It will have a positive impact for residents living in poverty as it will support furniture reuse charities whose focus is to provide local welfare assistance to residents in crisis and/or on low incomes.

## **Climate Change Impact Assessments**

54. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

## **Climate Change Adaptation**

55. The key climate vulnerabilities from this project arise from exposure to extreme heat events in the Hub building in Andover and transport links to HWRCs and participating reuse charities.
56. Risks to the building in Andover mainly relate to staff and volunteers not being able to work in sustained periods of very hot weather. If roads are made impassable by high levels of heat or instances of flooding, this could impact on stock flow. If HWRCs are closed for periods due to extreme heat or flooding, this could limit the feedstock available for the project. Potential interruptions in stock flow due to extreme weather will be monitored and alternative arrangements will be made where practical.
57. The building will be subject to a more detailed climate change risk assessment in due course and any appropriate adaptations, such as additional shading, will be considered.



## **Carbon Mitigation**

58. This project is focussed on reducing the number of items going to landfill in Hampshire through increasing rates of reuse and repair. Therefore, it is expected that it will decrease carbon emissions relating to landfill of items. The South East (SE) 7's 'Re-use Outcomes Benefit Benchmark tool' estimates 3.45 tonnes of CO<sub>2</sub> emissions are saved for every tonne of bulky waste re-used.
59. Emissions relating to transporting of items for reuse will be minimised through using mileage optimisation and reverse logistics solutions wherever possible.
60. This project meets all the priorities within Hampshire County Council's Strategic Plan as it supports the development of the Circular Economy in Hampshire through reuse and repair, aims to help residents in crisis or on low incomes and will generate volunteering and skills opportunities.

## **Conclusions**

61. The ongoing demand for low-cost good quality items of furniture for those in crisis, the need to reduce waste going to landfill and the high disposal cost this attracts, and support towards a circular economy means that a new approach to reuse in Hampshire is required.
62. Consultation from stakeholders, combined with learning from previous initiatives, and research on best practice, has led to the development of a project which will provide an effective and sustainable way of meeting the need for furniture and other household items for those in crisis, while reducing the environmental impact of items being sent to landfill.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>
<a href="#">The Environment Bill</a>	<b>2021</b>
<a href="#">The proposed Waste Prevention Programme for England 2021</a>	<b>2021</b>

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **EQUALITIES IMPACT ASSESSMENT:**

### **1. Equality Duty**

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

2.1 The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. The Equalities Impact Assessment completed for the project shows that it will have a neutral impact on staff and public with protected characteristics. It will have a positive impact for residents living in poverty as it will support furniture reuse charities whose focus is to provide local welfare assistance to residents in crisis and/or on low incomes.