

Routes to reuse

Maximising value from reused materials



Foreword

“Make do and mend, pre-loved, second hand, up-cycling, reconditioning, pre-owned.”

The terms we use to describe reusing products are as varied as the motivations for supplying them and the ways we as consumers go about it.



Voters and tax payers have a strong interest in increasing the amount of material from households that is reused and therefore not sent to landfill or for incineration. In addition to the significant environmental benefits and social value reuse can create, there is a strong economic and business case for it too.

Reusing materials has a financial benefit for tax payers by reducing the amount that councils have to pay in landfill tax and disposal. It can also have an economic benefit by expanding the industry and creating jobs along the supply chain, as well as putting pounds in the pockets of charities, businesses and individuals by helping them to realise the resale value of unwanted products.

The Local Government Association (LGA) established a Reuse Commission to bring together members of the local government, charity, social enterprise and business sectors, including those with experience of repairing and reusing goods, to advise the LGA on ways to work together to make reuse easy, attractive and convenient.

I am grateful for the work of the Commission, led by Councillor Clyde Loakes, which has provided evidence and insights into the opportunities and challenges in meeting this goal. This work has been invaluable in supporting the LGA's conclusions set out in this report. The Commission's members are detailed on page 26 of this report.

This report builds on the previous LGA review, 'Wealth from Waste'¹, which identified significant potential for obtaining value from the goods we throw away.

This report estimates there is over £400 million of untapped value from household waste material, which can be won from increasing the amount we reuse.² Accessing this value requires action from us all. This report sets out some practical steps to achieve it.



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Chairman, LGA Environment and Housing Board

¹ <http://www.local.gov.uk/waste-management>

² Analysis is based on material from households currently handled as waste by councils in England. It does not include the resale or repair of material and products that have not entered the waste stream.



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Executive summary

The LGA's Reuse Commission was established following a recommendation in the LGA's 'Wealth from Waste' report in 2013 to explore proposals that would increase the reuse of products and unlock value for the tax payer. The Commission provided expert advice to the LGA which informed the conclusions which are set out in this report.

What motivates consumers to reuse unwanted goods is complex. Reuse activity ranges from informal giving or donations to friends and family, to charitable giving, to more formal second-hand buying and selling. In this report we focus on the potential for increasing the proportion of household waste that is reused.

In this report we demonstrate:

There is significant untapped potential to increase reuse. Nearly 615,000 tonnes of material that currently finds its way to landfill or incineration could instead be repaired, resold or donated. As well as the social and environmental benefits there is a strong economic business case to do this too:

Diverting 615,000 tonnes of material away from landfill or incineration would save the tax payer more than £60 million each year.³ This is equal to a potential saving on each household's council tax bill of £3.⁴

The resale value of these goods, and those recycled which could be reused, is approximately £375 million.⁵

In total we estimate there could be up to £435 million of value available each year through disposal savings and resale value to taxpayers, charities, businesses and consumers.

This report provides practical recommendations to answer the following key questions:

How do we encourage people to increase the amount they reuse?

We propose:

- Raising awareness of reuse through a national campaign, supported by signposting and communications from local councils.
- Extending retailer 'take back' schemes and encouraging more responsive pick-up and drop-off services. For example, partnerships between private and social landlords and universities to collect unwanted goods at the end of tenancies offer real potential to drive reuse.
- Provide a balance of incentives for consumers, such as rewards for reuse, and regulation to prevent certain materials being thrown away.

³ Based on WRAP estimates of material that could be reused that is currently disposed of. Calculation of landfill and incineration costs use the WRAP Gate Fees report 2013 and the 2014/15 rate of landfill tax.

⁴ Based on 22.5 million households in England.

⁵ Based on a series of WRAP reports on resale value of WEEE, textiles.



What would make buying reused goods more attractive to consumers?

- Providing warranties for electrical products and accreditation are important safeguards for consumers when purchasing second-hand goods.

How do we support reuse charities and companies to grow?

- We propose that HM Treasury should offer a £2,000 reduction on National Insurance contributions (NIC) when voluntary and community sector and commercial reuse organisations employ additional workers.
- The public sector is a major purchaser and should identify reused products in procurement strategies and help demystify the process for reuse organisations.
- A lack of available parts or designs which make repairs difficult and expensive mean some products that should be reusable are not. Government should promote the adoption of British Standards for remanufacture and use its Green Investment Bank to support innovative products which design in reuse.

Reuse in context

How do we define reuse?

Officially the definition of 'reuse' means "any operation by which products or components that are not waste are used again for the same purpose for which they were conceived".⁶

The ways that consumers reuse unwanted goods and acquire second-hand products varies. As figure 1 below illustrates, the options vary from donation (both formal and informal) to sale and repair. In this report we focus on the potential for increasing the proportion of household waste that is reused.⁷

Figure 1: Consumer routes to reuse



⁶ Revised Waste Framework Directive 2008

⁷ The report does not include mature and functioning markets for reuse and repair such as the antiques market and second hand car market.

What is the case for increasing reuse?

There are well recognised environmental reasons to increase the reuse of products. Beyond the environmental impact, reuse also results in reduced material production and distribution. It extends the life of existing products and reduces the need for the production of new products.

In this document we focus on the economic and social case for increasing the reuse of household goods and supporting the reuse sector to grow and develop. The key economic and social benefits are:

Financial

Reuse can provide a saving to consumers, who can avoid buying new products. It also saves taxpayers money by avoiding the costs associated with the disposal of products – which can cost more than £100 per tonne⁸. Finally consumers can benefit from the resale value of reused products.

Economic

Reuse products attract a higher value in the marketplace than waste disposal by-products. For example, one tonne of waste textiles is worth between £350-£450⁹. The same quantity of refuse used as fuel for firing cement kilns, once processed, would incur a cost of between £25 and £40 for disposal.¹⁰ A thriving reuse economy can also bring additional jobs. Friends of the Earth estimate that between 28 and 296 jobs can be created per tonne of material when reused, compared to just 10 jobs for incineration and 11 for landfill.¹¹

Social

The ability to collect and repair products for resale provides jobs, training opportunities, and income to many voluntary and community groups.¹²

These benefits are explored in more detail in the next section.

Local authorities

Local authorities are the statutory collectors of household waste. This role includes minimising the disposal of waste as well as maximising the use and value of what is thrown away.

Oxfordshire County Council – Bicester Green reuse centre

Working in partnership with Sobell House Hospice Charity, Cherwell District Council, Oxfordshire Waste Partnership, Resource Futures, Sanctuary Housing and Grassroots Bicester (a local community group) Oxfordshire County Council set up a new social enterprise, Bicester Green.

Bicester Green is a centre for 'skills, sustainability and second-hand stuff'. Opening in 2013, Bicester Green aimed to divert waste from landfill. The centre also brings together volunteers from across the community to provide them with practical work experience and the opportunity to learn new skills as well as functioning as a sustainability hub for the area, hosting events and meetings.

During its first six months of operation, 1.3 tonnes of furniture, nearly a tonne of bikes and more than 300kg of electrical items were prevented from becoming waste.

8 Based on landfill gate fees from WRAP 2013 Gate Fees report including the 2014/15 landfill tax.

9 WRAP 2013 Gate Fees report

10 Referring to Sold Recovered Fuel based on Lets Recycle Price report for January 2014.

11 Friends of the Earth, More Jobs Less Waste, 2010.

12 Voluntary and community sector is used to refer collectively to activity by charities, community groups and social enterprises.

Local authorities are one of the many players in the reuse economy and have a strong local leadership position. This brings a range of opportunities to:

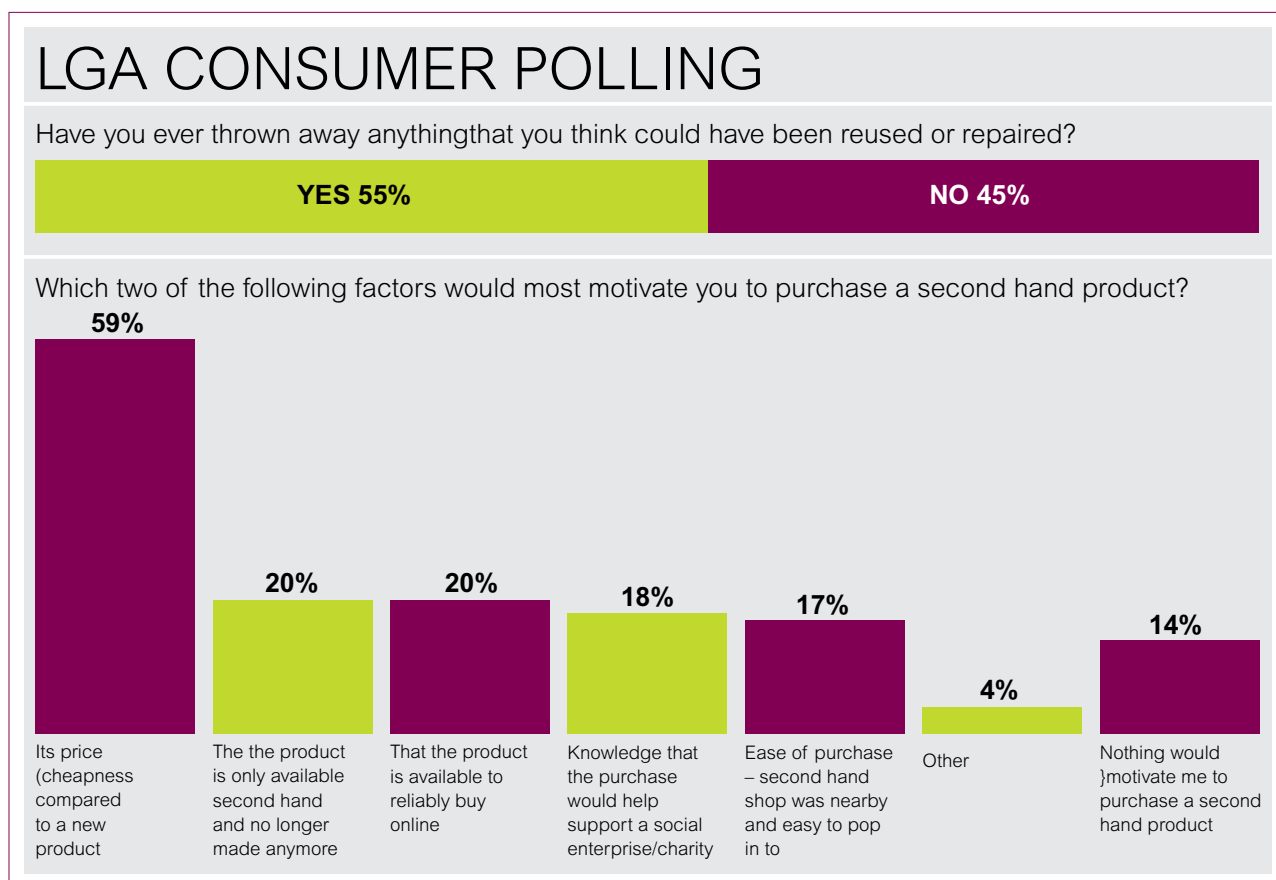
- through their own reuse, lead by example to achieve savings and value for tax payers
- engage with local charities and reuse groups
- communicate and champion the benefit of reuse to residents
- require and encourage waste contractors to share responsibility for increasing reuse through contracting arrangements
- highlight the opportunities to reuse materials to residents
- support residents to access reuse services locally, offered either through the council directly, in partnership or by local charities and reuse groups.

Consumers

Consumers ultimately determine what happens to unwanted items and their buying decisions will drive the market in second-hand products.

The LGA's consumer polling¹³ has shown that more than half of respondents had thrown something away that they knew could have been reused or repaired. At the opposite end of the scale, the polling also revealed that 14 per cent of respondents felt they would not be motivated by anything to purchase a second-hand product.

Sections 2-4 identify recommendations to incentivise and motivate consumers to think 'reuse', whether it is in the disposal of unwanted goods or in their purchasing decisions.



¹³ Polling carried out by Populus which interviewed 924 adults in England between 11 and 12 December 2013. <http://www.local.gov.uk/waste-management>

Realising the value of reuse

Financial value

Reuse accounts for nearly one per cent of the waste material collected by English councils.

Using Waste and Resources Action Programme (WRAP)¹⁴ estimates, it is possible to say that nearly 615,000 tonnes of material which is currently landfilled or incinerated could be reused instead.¹⁵ This is more than three times as much as we currently reuse.

Missing this opportunity results in unnecessary costs for residents, as well as a missed opportunity to recoup the re-sale value of reused products.

Tapping into the potential disposal savings as well as the value from the resale of unwanted products could deliver over £400 million of value to taxpayers, consumers, companies and charities.

Table 1: Approximate annual disposal of reusable material in England

Type of material	Reusable material annually disposed of or recycled in England ¹⁶	Savings to the tax payer from reusing these goods ¹⁷	Approximate resale value
Textiles ¹⁸	358,156 tonnes disposal	£35.4 million	£143.3 million
WEEE ¹⁹	19,679 tonnes disposal 61,583 tonnes recycled	£1.9 million	£231.5 million
Furniture ²⁰	236,928 tonnes disposal	£22.8 million	Not calculated
Annual total	614,763 tonnes	£60.1 million	£374.8 million
	Total potential value	£434.9 million	

14 WRAP is a not for profit company backed by government funding: <http://www.wrap.org.uk/content/about-wrap>

15 Based on WRAP estimates of material that could be reused that is currently disposed of. Calculation of landfill and incineration costs use the WRAP Gate Fees report 2013 and the 2014/15 rate of landfill tax.

16 Disposal included landfill and incineration

17 Calculated assuming 58 per cent of material disposed of goes to landfill and uses 2014/15 landfill rate. The rest to incineration at £90 per tonne gate fee from WRAP 2013 report.

18 WRAP Valuing our Clothes: 2012 report calculated for England.

19 WRAP estimates from Realising the Value of Household WEEE calculated for England minus WEEE reused through the WEEE compliance scheme in 2012.

20 Drawn from estimates in WRAP report on composition of kerbside and HWRC bulky waste minus current reuse. This assumes that currently reported reuse in Waste Data Flow only represents 50 per cent of actual reuse.

Warwickshire County Council's reuse shops

Warwickshire County Council partnered with Warwickshire Community Recycling (WCR) to run two household waste and recycling centres and five reuse shops within the county. The council provided staff to run the sites and reuse shops in return for income from reuse and recycling.

The partnership has reduced the council's disposal bill by £6.3 million over seven years and has generated more than £250,000 for good causes. WCR has also recruited and trained 22 volunteers and provides more than 6,000 hours of work experience and accredited training to volunteers, paid staff and apprentices.

Recommendation: Local authorities should take a lead role by investigating what infrastructure and partnership arrangements they could implement to increase reuse and to realise the associated value.

Social value

Financial value is not the only consideration for local authorities. The Social Value Act²¹ requires all public authorities to obtain 'social value' in addition to value for money through their procurement of services.

Social value can be obtained through any of the services councils commission, but engagement with charities and social enterprises across the country which offer reuse services is a particular opportunity to look beyond pounds and pennies. For example, 64 per cent of charities and reuse groups provide jobs and training opportunities.²²

²¹ The Public Services (Social Value) Act applies to public authorities and came into force on 1 January 2013.

²² Curran and Williams 2010 cited in WRAP report: A methodology for quantifying the environmental and economic impacts of reuse.

Liverpool City Council partnership with Bulky Bob's

Liverpool City Council carried out a procurement exercise for waste collection services in 2009 and decided to separate out the bulky item collection in order to maintain and increase the economic, environmental and social benefits of the procurement process.

The procurement process involved early discussion with providers including social enterprises and an outcome based specification including training and volunteering opportunities.

The contract included financial and key performance indicators to ensure that the performance of the service was maximised and continuously improved. The service provides free collections to all householders and has reused or recycled over 1,800 tonnes of material in 2012/13, which is 63 per cent of the material collected.

So far there has been only limited take up of the Social Value Act, which reflects the challenges for procuring authorities of mainstreaming these considerations. There are a number of actions that would make it easier for councils to meet the requirements of the Act.

Recommendation: Local authorities should consider partnerships with charities and reuse groups as a win-win solution to meeting the requirements of the Social Value Act.

Recommendation: WRAP should prepare advice on the benefits of the Social Value Act and a set of stock clauses for use in waste contracts.

Recommendation: Waste companies need to offer flexibility in waste services operated on behalf of local authorities through involvement of voluntary and community sector groups.

Increasing supply

Members of the Commission reported that many reuse organisations find accessing a sufficient supply of products for reuse and repair presents a real challenge. Clearly increasing supply underpins the expansion of the reuse market.

Awareness of reuse

Increasing awareness of the benefits from reuse of unwanted products, as well as the opportunities to buy second hand, is crucial. LGA consumer polling showed that consumers are most likely to go to internet websites like Freegle or Ebay for information on what to do with unwanted items (42 per cent) followed by local authority websites (at 27 per cent) and local newspapers (at 17 per cent).²³

Councils waste contractors and reuse partners can support increased awareness by providing clear information on websites, in leaflets to residents, as well as signage at household waste and recycling centres.

There is also a role for national government. A national promotional campaign led by government would help to increase consumer awareness about their role and the opportunities to increase reuse.

It should both encourage an increase in giving while seeking to end the stigma that can be associated with those taking reused goods. A national campaign would also provide visibility and a useful foundation on which local authorities can follow up with locally based communications.

²³ Full polling results available at: <http://www.local.gov.uk/waste-management>

Signposting residents to reuse opportunities in Warwickshire

Warwickshire County Council developed its website to help signpost local reuse opportunities. This features the council services as well as lists of local charity shops, furniture reuse schemes and online re-use networks such as Freegle and Freecycle.

The website even offers an interactive charity shop finder in the county built on data supplied by the Charity Retail Association. www.warwickshire.gov.uk/charityshops

Recommendation: Department of Environment, Food and Rural Affairs (Defra), through its Waste Prevention programme, should carry out a national campaign to increase awareness of the benefits of reuse to consumers and businesses.

Recommendation: Local authorities should consider promoting local reuse opportunities through their website or other communications channels.

Recommendation: Local authorities and their partners should assess how prominent, clear and consistent their communications to residents are on the handling of material in order to maximise reuse.

Convenience

Reusing unwanted goods needs to be simple and convenient if we are to encourage householders to do it on a larger scale. LGA consumer polling showed that people value bulky item collection services and somewhere convenient to drop unwanted products (both at 43 per cent of respondents).²⁴

'Take-back' schemes are also popular and a number of major retailers are now offering this service. Our polling showed that the convenience of redirecting unwanted goods was considered more important than obtaining a payment for the item.

There are, of course, local drop-off locations already in existence across the country, in addition to collection services offered by councils, charities and 'take-back' services offered by a number of major retailers. Defra and WRAP are also developing a postcode locator to help householders find local reuse and repair facilities.

Lancaster City Council 'Bulky Matters' collection service

Lancaster City Council entered a partnership with Furniture Matters to establish the Bulky Matters project, which in 2006 replaced the council's existing bulky household waste collection service.

The project provides a value for money, customer-focused service to all householders within Lancaster, to make collections within seven working days and at an appointed time and to re-use or recycle at least 40 per cent of all items collected. These items benefit the local community through Furniture Matters re-distribution schemes and provide the basis for training opportunities for local people in subjects such as furniture restoration and domestic appliance repairs.

Community RePaint

Councils across the UK have teamed up with Community RePaint to run a network of paint reuse schemes sponsored by Dulux. Paint is collected and sorted at household waste and recycling centres and made available to community groups, schools, charities, housing association tenants and other households.

In total Community RePaint saved more than 387,000 litres of paint, donated by householders and businesses, from going to waste in 2012 and redistributed over 218,000 litres of paint to community groups, charities, voluntary organisations and people in social need.

Recommendation: Local authorities, waste companies and voluntary sector groups should make consumer convenience a central principle when designing reuse services.

Recommendation: Major retailers should expand and/or introduce take-back services.

Preserving value

Obtaining items before they have been thrown away or left outside, where they are weather damaged, can be a challenge for councils and their reuse partners. Increasing the convenience of collection services can help preserve the value of goods and help avoid weather damage. This can include:

- collection services arranged around the requirements of the resident/customer
- prominent reuse facilities at household waste and recycling centres and increased under cover storage
- work with housing associations, universities and private landlords to reuse furniture at the end of tenancies or student terms.

²⁴ <http://www.local.gov.uk/waste-management>



British Heart Foundation (BHF)

The BHF have 740 shops which reuse and recycle more than 60,000 tonnes of furniture, textiles and electrical products per year, generating more than £140 million in sales.

The BHF's four principal collection methods include:

- doorstep collections via BHF branded bags across a whole neighbourhood
- free collections from inside the home booked through the local shop (online or over the phone)
- more than 5,000 collection banks and bins in convenient locations.

Recommendation: Providers of bulky item collections should consider whether offering a more responsive service would both increase supply and better retain the quality of products for reuse.

Recommendation: Where practical local authorities and their waste contractors should increase the capacity and prominence of reuse facilities at household waste and recycling centres.

Recommendation: Housing providers should consider how they can link with reuse groups to offer unwanted furniture and furnishings.

Leeds City Council end of tenancy reuse

Leeds City Council, supported by WRAP, set up a project to ensure bulky items left behind at the end of social housing tenancies were being reused.

By working with the city's seven furniture reuse organisations the council established a collaboration project. This involved the council through its contractor providing space to store items for reuse and diverting products with the support of the Social Fund. Emmaus, one of the furniture reuse organisations, provided training to housing provider staff.

In the first year of the project, three of the social landlords found more than 450 re-usable items when clearing empty houses, diverting more than 11 tonnes of material from landfill. As a result of the project individual social landlords are looking to develop their own re-use systems, and departments within the council are actively promoting re-use, both to social housing residents and the wider community.

Waltham Forest Council's 'Furnishing the Future' partnership

The London Borough of Waltham Forest worked with one of its housing providers, Ascham Homes and waste contractors Kier, along with the London Re-use Network to develop a project focused on reuse of paint and furniture.

The project uses reused paint that is remixed and sold at a fraction of the cost of new paint to new tenants as a part of an Assisted Decoration Scheme. This has allowed the budget for redecoration to cover nearly six times as many homes.

In addition to this, Asham Homes set up a furniture reuse scheme in partnership Restore Community Projects. Instead of clearing and disposing of unwanted furniture each time a property is vacated a collection is arranged to make further use of remaining items. The clearance is now carried out by Restore and items are sorted into those that are recyclable and reusable. Re-usable items are refurbished as necessary and offered for sale at reasonable cost to families on low incomes. In 2011/12 the project saved approximately 100 tonnes of material from disposal from 316 voided properties and reused an average of 34 per cent.

Incentivising reuse

Many councils are looking at opportunities to incentivise an increase in reuse of unwanted goods. Reuse credits can provide one route to do this and can provide an important funding stream for reuse groups. In addition, the Recyclebank and other recycling reward schemes have been successful in increasing consumer recycling, by offering vouchers or other benefits to residents that recycle regularly. There is scope to extend this principle to reuse.

To provide the regulatory spur to ensure valuable materials are diverted from disposal, the LGA called for targeted landfill bans in its 'Wealth

from Waste' report²⁵. The case remains strong for such a ban and formalised producer contribution on products such as furniture, mattresses and textiles which would stimulate the industries and provide initial infrastructure funding. This would help to obtain maximum value from these material streams and contribute towards meeting EU reuse and recycling targets by 2020.

North London Waste Authority (NLWA) Reuse and Recycling Credits Scheme

In 2007 the NLWA launched a scheme to promote reuse and recycling by setting up a credit system to incentivise third parties that reuse and recycle items that would otherwise end up in the municipal waste stream and be disposed of at the Authority's expense. The value of the credit recognises the saving NLWA make from avoiding disposal costs. In 2012/13 the scheme helped to divert 2,422 tonnes of material from disposal of which 1,695 tonnes (70 per cent) was reused.

Somerset Waste Partnership reuse credit scheme

In April 2007 Somerset Waste Partnership (SWP) launched a reuse credit payment scheme in order to reduce the amount of household waste being sent for disposal, and to support local charitable groups collecting furniture for reuse. Credit payments are offered to furniture reuse organisations for bulky household furniture and non-electrical appliances and reflect a proportion of the saving made on waste disposal by the partnership. The scheme is also designed to benefit local communities as the items are passed on or sold at low cost to low-income households. In 2012/13 the reuse credit payment scheme helped to divert 395 tonnes of Somerset household material from disposal, which was reused by people in need.

²⁵ Launched in June 2013:
<http://www.local.gov.uk/waste-management>

Reusable nappies

Each day eight million nappies go to landfill or incineration in the UK, which accounts for at least 4 per cent of household waste costing up to £40 million per year. According to the Nappy Alliance reusable nappies can save parents £700 per child compared to disposables. To address this many councils offer vouchers to new parents to purchase reusable nappies.

- **London Borough of Lambeth** has a target of encouraging at least 150 new parents each year to use reusable nappies in order to prevent 55 tonnes of waste. The council offers promotional information and an incentive voucher of £40 to new parents.
- **Cumbria County Council** has promoted real nappies through a roadshow campaign and helping to promote vouchers to its residents offered by the Cumbria Real Nappy campaign.
- **The North London Waste Authority** has offered real nappy vouchers through its constituent Boroughs to residents in North London since 2005, currently worth £54.



Incentivising reuse – Preen Community Interest Company

Preen Community Interest Company, a reuse social enterprise based in central Bedfordshire, worked in collaboration with local parish councils and residents to develop a project to incentivise and increase in reuse, for which it successfully bid for Defra Reward and Recognition funding.

The scheme supports consumers to collect points when they donate items or buy them from the two Preen reuse shops. The points were allocated to the individual's parish council, which competed with other parish councils in the area to receive a community reward in cash and Preen vouchers.

The project exceeded targets and directly led to an increase in capture of material for reuse and recycling of 67 tonnes or 35 per cent more than the previous period. It also led to the group signing up an additional 4,857 members. In a post project survey 50 per cent of respondents in the area claimed to be buying more second-hand items with 48 per cent donating more items for reuse compared to a year ago.

Recommendation: Local authorities should consider how they can incentivise an increase in reuse. This could include use of reuse credits for local reuse groups or incentives schemes for residents, which together would help avoid disposal costs and provide additional resale value from reuse.

Recommendation: Defra through its Waste Prevention programme should take forward targeted landfill bans on selected materials including furniture, mattresses and textiles and nationally develop producer contributions to stimulate industries and infrastructure necessary to reuse and recycle these materials.

Working for more reuse with contractors

Most councils contract out the running of their household waste and recycling centres and as part of that process agree a specification for service delivery. These should now include provision for reuse, but existing disposal contracts are long term and making changes mid-contract can be complex and expensive. This can provide a disincentive to increasing capacity of reuse facilities.

Cheshire West and Cheshire contracting out bulky item collection

Cheshire West and Chester Council introduced its new 'Recycle First' Service in April 2012 providing a high quality recycling and waste collection service to residents in the borough through a new collection contract with Keir.

The new bulky waste collection service is now managed by the two key furniture reuse organisations, Changing Lives in Cheshire and Reviive and aims to maximise reuse and recycling. The service offers responsive collections allowing residents for the first time to reuse and recycle their bulky items. It has also provided increased volunteering and training opportunities as well as the set-up of a new reuse shop in Chester, with an online portal for all bulky waste requests and a new mattress recycling scheme. The service is aiming to divert up to 95 per cent of bulky items from landfill.

Recommendation: Waste contractors have a shared responsibility with local authorities on reuse and should offer flexibility in negotiations on increasing facilities and diversion of material for reuse in order to realise benefits including social and financial value as well as reduced disposal costs.

Reusing Waste Electrical and Electronic Equipment (WEEE)

WEEE can have some of the higher values of material in the waste stream. There is significant potential to increase the amount of WEEE that is reused. WEEE entering the waste stream takes two routes currently:

- collection by producer compliance schemes of material taken to household waste and recycling centres
- disposal in household residual waste.

There is potential to increase the reuse of WEEE through both routes.

In 2012 only 9 per cent of the household WEEE collected through the producer compliance route was reused. WRAP estimate that as much as 23 per cent of WEEE disposed of at household waste and recycling centres has potential to be reused.²⁶

More than 200,000 tonnes of household WEEE ends up in residual waste in England each year²⁷. As highlighted in table 1 we estimate that nearly 20,000 tonnes of this material together with 62,000 tonnes of the WEEE that is currently recycled could be reused which would have total value of over £233 million.²⁸

Recently announced changes to the WEEE compliance arrangements and targets do not include any meaningful requirements to increase reuse beyond existing levels. They will however enable councils, if they wish, to manage and self-treat WEEE streams themselves separate from a producer compliance scheme and take profit or loss from doing so.

²⁶ Based on 2012 collected WEEE and WRAP Realising the 'Reuse Value of Household WEEE' report.

²⁷ WRAP estimates from 'Realising the Value of Household WEEE' calculated for England minus WEEE reused through the WEEE compliance scheme in 2012.

²⁸ Combined total of disposal savings and resale value for reusable WEEE using WRAP 'Realising the Resale Value of WEEE' report calculated for England.



Peterborough City Council WEEE Reuse facility

Peterborough City Council's WEEE Reuse facility reprocesses and reconditions electrical goods for reuse and recycling resale for the community using large domestic appliances that are donated by commercial companies and householders. The facility also reuses and recycles small electrical items. Any equipment that is suitable is repaired by competent engineers with items beyond repair stripped down for recycling.

Once items are refurbished or repaired they are sold through local community groups and charities at a discount. The products are also available to people on low incomes or benefits who are referred via local charities. WEEE Reuse also trains students who work with pupils on work experience and The Prince's Trust to gain experience as repairers.

Recommendation: Councils should investigate how to increase reuse of WEEE whether working with their WEEE compliance scheme, waste contractor or with WEEE streams they manage themselves.

Recommendation: WRAP should work with local authorities and WEEE compliance schemes to develop advice to help increase WEEE reuse. This should include stock clauses for contracts with compliance schemes that seek to maximise reuse and allow councils to divert suitable WEEE to local voluntary and community sector groups.

Recommendation: The Department of Business Innovation and Skills should closely monitor the implementation of the revised WEEE compliance scheme to consider the effect on WEEE reuse.

Demand for reused goods

Consumers need confidence

Demand rests on consumer need and confidence in purchasing reused products. Our polling asked consumers about their views on buying reused electrical products. It found consumers valued measures that would minimise their risk. The most popular mechanism which would provide this confidence was a warranty on the product (36 per cent) followed by an approved reuse product standard that involves testing of the product to certain standards (19 per cent of first preferences). This was closely followed by purchase from a well-known and trusted organisation/ brand (17 per cent). The ability to try a product before purchasing it was the least favoured option (13 per cent).

The safety and reliability of reuse products, particularly electrical devices, is a key element that informs consumer confidence. A warranty or reuse standard could help organisations marketing reuse products by increasing sales and potentially the value of products.

A number of reuse standards exist for organisations and products although they apply to a limited number of product types. WRAP are also developing an overarching and industry-wide standard for the reuse product supply chain. The success of a standard will inevitably be determined by the level of prominence and brand recognition it achieves. Councils have a key role to support this through their role in signposting and communications with residents and local reuse organisations. Any standard should also balance an appropriate level of rigour with proportionate requirements on compliance. If the cost of meeting the requirements of the standard are considered to outweigh the benefits

then it will fail to achieve widespread adoption.²⁹

Recommendation: Local authorities and voluntary and community sector groups which market reuse products should focus on offering appropriate warranties when marketing electrical devices. Accreditation to a reuse standard may also help to provide consumer confidence, particularly on other reuse products like furniture.

Increasing the viability of reuse organisations

LGA consumer polling showed that price is the most significant motivating factor for consumers in choosing to purchase a second-hand product. This poses a challenge to reuse groups wishing to expand and which can often only raise additional revenue through increasing prices, which can undermine sales.

Voluntary and community sector and commercial organisations carrying out reuse activity often operate at the edge of viability and can find expansion and the associated increased expenditure challenging to justify.

The most consistent tax exposure across voluntary and community sector and commercial reuse organisations is National Insurance Contributions (NIC) paid on each employee. These costs can present a real disincentive to expansion and hiring additional staff. For example if an organisation employed one additional member of staff on a salary on £23,500³⁰ per year or £453 a week it would cost them £3,243 in national insurance.

²⁹ Based on the LGA response to the WRAP 'Reuse Standard' consultation. Full response at: <http://tinyurl.com/http-tinyurl-com-reuse>

³⁰ Mid way point between lower (£109 per week) and upper (£797 per week) National Insurance earnings limit.

Table 2: Organisations carrying out reuse in England

	Employees	Businesses or shops
Charity shops selling second hand products ³¹	17,296	10,184
Reuse organisations providing second-hand products for social benefit ³²	3,400	400
Commercial reuse and repair organisations	36,000 ³³	7,243 ³⁴

A NIC reduction for an additional member of staff of £2,000 for each organisation would help to encourage reuse sector expansion. This should apply to nearly 18,000 organisations involved in reuse activity. While the loss of revenue to the Exchequer would be £36 million, it would be more than outweighed by a saving on Job Seekers’ Allowance if each organisation took an unemployed worker. In this instance the net result would be a saving to the Treasury of between £16 million and £30 million.³⁵

Recommendation: The Treasury should offer a £2,000 reduction on their National Insurance Contributions for employment of an additional worker to encourage voluntary and community sector and commercial reuse organisations to expand and take on additional staff.

Using public sector purchasing to drive reuse

The public sector, including local authorities, has a huge opportunity to drive the market in repaired, refurbished and upgraded products.

The price paid for a second-hand, repaired or reconditioned products can be significantly cheaper than the cost of a brand new product and offer real savings in procurement.

The Defra Waste Prevention programme pledges to update government buying standards with reuse requirements and to establish a ‘swap shop’ between departments to ensure reuse of existing assets. Both of these initiatives could be used by local authorities on a sub-regional or regional basis to save money. At this scale there is a particularly opportunity to share and reuse office furniture.

Supporting reuse organisations to navigate public sector procurement processes would help to demystify the process where the purchase of repaired and refurbished products is not currently a mainstream activity.

A number of councils are also supporting the reuse of materials through the Social Fund. The localisation of the fund offers clear opportunities for councils to build on these examples and use this support to help mainstream reuse.

31 Charity Retail Association 2012 survey
 32 Estimate from Furniture Reuse Network
 33 Labour Force Survey (England) April-June 2013 selected organisations from category 33 (Repair and installation of machinery and equipment) and 47 (Retail trade, except of motor vehicles and motorcycles). This indicates 18,000 employees working on reuse and repair of household products, which is considered to be a significant underestimate due to other reuse jobs being recorded within other industrial classes. The LGA estimate assumes the LFS figure is 50 per cent of those actually engaged in reuse activity.
 34 Number derived using the average number of employees per UK private sector business, which is 4.97 taken from Business Population Estimates for the UK and Regions 2013.
 35 Based on the savings from the current minimum and maximum rates of Job Seekers Allowance paid per individual per annum.

Scrapstores

Scrapstores, reuse and resource centres are local community-based organisations which acquire materials from local industry and businesses for reuse. Some scrapstores also take household objects that are suitable for creative reuse. About a third of scrapstores are supported or owned by councils.

Scrapstores divert 17,000 tonnes of material from disposal each year. They also generate additional savings of £97 per trolley of arts and craft materials for schools, for lessons which would otherwise have to be purchased. Cambridge City Council recently expanded its scrapstore to provide more materials for its schools. Other councils like Newcastle City and Exeter City Councils have sought to partner with or transfer ownership to voluntary and community sector groups to ensure continued operation of local scrapstores.

Surrey County Council and Surrey Reuse Network

Seven furniture reuse organisations have been encouraged to collaborate and coordinate their work through the creation of the Surrey Reuse Network. Surrey County Council formed the network to increase reuse, support its waste strategy and meet a target of diverting 2,000 tonnes of furniture and white goods from landfill. The network also allowed the groups to join together to use Surrey County Council's Social Fund, to help divert reusable items to 5,000 local income households. In 2012/13 the Network diverted 600 tonnes of furniture from landfill, an increase of 22 per cent on the previous year.

The network has carried out a county wide communications campaign, set up a website and established a freephone number to call for residents for collections of bulky items. As a result of coming together the network is able to bid to run bulky item collections as well as reuse services within household waste and recycling centres. The Network also took over the running of the Surrey reuse shop and turned over £30,000 in its first six months and offering volunteering/ work-based training opportunities to 400 people a year.



Recommendation: Local authorities can drive demand and generate potential savings against the purchase of new products, whether using the localised Social Fund or purchasing products and services for council activity. To bring this about local authorities should ensure that procurement strategies include reused products and include engagement with the market early to build confidence in the nascent reuse industry.

Designing in reuse and repair

Making it easy to repair or reuse products is most effectively achieved at the design stage. Achieving this is likely to require a mix of funding incentives, regulation and sector leadership. For example:

The British Standards Institute have developed a generic standard for the remanufacture of products.³⁶ Alongside this a sector-specific standard,³⁷ which focuses specifically on re-marketed computer hardware, has been created for products which cannot be sold as new.

There are opportunities to encourage this through regulation, by focusing future rounds of the EU Ecodesign Directive on supporting reuse and the reparability of products.

The Government has the opportunity to use its various funding programmes to increase innovation. For example, grants from the Technology Strategy Board can help develop innovative product design to increase the opportunities to repair and remanufacture products. In addition, the Green Investment Bank could increase the availability of finance to innovative industrial and infrastructure projects that support waste prevention and reuse.

³⁶ British Standard 8887-220:2010

³⁷ British Standard 8887-211:2012

Reuse and remanufacture in industry

Jaguar Land Rover cars are designed to be 85 per cent recyclable and 95 per cent recoverable at the end of their life, with no more than 5 per cent ending up in landfill. In 2011/12, Jaguar Land Rover remanufactured 76,000 old and used vehicles and is planning to extend its remanufacturing offer.

Xerox remanufacturing activities, which involve the take-back of printers and copiers for recycling, reuse or remanufacture, has diverted a cumulative figure of more than 1,000 tonnes from landfill since 1991.

Source: EEF The Manufacturers' Organisation

Recommendation: Government should promote the adoption of British Standards for reuse, encourage appropriate EU regulation that sets minimum standards for product design and broaden the focus of the Green Investment Bank to include innovative projects on design and manufacturing for reuse and waste prevention.



Annex A

List of recommendations

Local authorities should take a lead role by investigating what infrastructure and partnership arrangements they could implement to increase reuse and to realise the associated value.

Local authorities should consider partnerships with charities and reuse groups as a win-win solution to meeting the requirements of the Social Value Act.

WRAP should prepare advice on the benefits of the Social Value Act and a set of stock clauses for use in waste contracts.

Waste companies need to offer flexibility in waste services operated on behalf of local authorities through involvement of voluntary and community sector groups.

Department of Environment, Food and Rural Affairs (Defra), through its Waste Prevention programme, should carry out a national campaign to increase awareness of the benefits of reuse to consumers and businesses.

Local authorities should consider promoting local reuse opportunities through their website or other communications channels.

Local authorities and their partners should assess how prominent, clear and consistent their communications to residents are on the handling of material in order to maximise reuse.

Local authorities, waste companies and voluntary sector groups should make consumer convenience a central principle when designing reuse services.

Major retailers should expand and/or introduce take-back services.

Providers of bulky item collections should consider whether offering a more responsive service would both increase supply and better retain the quality of products for reuse.

Where practical local authorities and their waste contractors should increase the capacity and prominence of reuse facilities at household waste and recycling centres.

Housing providers should consider how they can link with reuse groups to offer unwanted furniture and furnishings.

Local authorities should consider how they can incentivise an increase in reuse. This could include use of reuse credits for local reuse groups or incentives schemes for residents, which together would help avoid disposal costs and provide additional resale value from reuse.

Defra through its Waste Prevention programme should take forward targeted landfill bans on selected materials including furniture, mattresses and textiles and nationally develop producer contributions to stimulate industries and infrastructure necessary to reuse and recycle these materials.

Waste contractors have a shared responsibility with local authorities on reuse and should offer flexibility in negotiations on increasing facilities and diversion of material for reuse in order to realise benefits including social and financial value as well as reduced disposal costs.

Councils should investigate how to increase reuse of WEEE whether working with their WEEE compliance scheme, waste contractor or with WEEE streams they manage themselves.

WRAP should work with local authorities and WEEE compliance schemes to develop advice to help increase WEEE reuse. This should include stock clauses for contracts with compliance schemes that seek to maximise reuse and allow councils to divert suitable WEEE to local voluntary and community sector groups.

The Department of Business Innovation and Skills should closely monitor the implementation of the revised WEEE compliance scheme to consider the effect on WEEE reuse.

Local authorities and voluntary and community sector groups that market reuse products should focus on offering appropriate warranties when marketing electrical devices. Accreditation to a reuse standard may also help to provide consumer confidence, particularly on other reuse products like furniture.

The Treasury should offer a £2000 reduction on their National Insurance Contributions for employment of an additional worker to encourage voluntary and community sector and commercial organisations to expand and take on additional staff.

Local authorities can drive demand and generate potential savings against the purchase of new products, whether using the localised Social Fund or purchasing products and services for council activity. To bring this about local authorities should ensure that procurement strategies include reused products and include early engagement with the market to build confidence in the nascent reuse industry.

Government should promote the adoption of British Standards for reuse, encourage appropriate EU regulation that sets minimum standards for product design and broaden the focus of the Green Investment Bank to include innovative projects on design and manufacturing for reuse and waste prevention.

Annex B

Membership of the Commission

Reuse Commission Members

Cllr Clyde Loakes (Chair)

LGA Environment and Housing Board

Cllr Keith House

LGA Environment and Housing Board

Cllr Clare Whelan

LGA Environment and Housing Board

Cllr Jonathan Essex

LGA

Mike Taylor

British Heart Foundation

Chris Murphy and **Tracy Moffatt**

Chartered Institute of Waste Managers

Alice Ellison

British Retail Consortium

Nicola Leeds

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Food and Rural Affairs

Clare Devine

Design Council

Sean Feeney

Environcom

Helen Middleton and **Craig Anderson**

Furniture Reuse Network

David Whitehouse

Warwickshire County Council

David Newman

London Community Resource Network

Rachel Gray

Waste and Recycling Action Programme

Jakob Rindgren

Environmental Services Association

The Reuse Commission provided expert advice to the LGA. The recommendations contained within this report reflect the views of the LGA.

The LGA is also thankful to the following organisations who fed in their views and case studies into the work of the commission:

Nappy Alliance

Cabinet Office Behavioural Insight Team

White Goods Trade Association

EEE Safe

Reuseful UK

EEF - The manufacturers' organisation

Salvation Army

Charity Retail Association

Councils that submitted case studies

Cheshire West and Chester

Cherwell District Council

Lancaster City Council

Leeds City Council

Liverpool City Council

London Borough of Waltham Forest

North Lincolnshire Council

North London Waste Authority

Oxford City Council

Oxfordshire County Council

Peterborough City Council

Ryedale District Council

Shropshire Council

Somerset County Council/ Somerset Waste Partnership

Surrey County Council

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