

REalliance

Community Interest Company

REalliance Economy CIC

Strategy and Business Plan

2010 – 2014



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1. INTRODUCING REALLIANCE ECONOMY COMMUNITY INTEREST COMPANY

REalliance was established in 2007 to represent the founding community recycling networks at Government level and to develop the sector's ability to respond to the economic opportunities provided by the climate change agenda. Our support enables organisations to sustain and develop the resource management activities they provide within their local communities. In turn, this generates social and environmental benefits, namely:

- Increases in resource reuse and recycling
- Reduction of the total amount of waste produced
- Reduced landfill
- Provision of low cost products (e.g. reused furniture) to alleviate poverty
- Provision of training to excluded communities
- Creation of new jobs
- Increased social capital

REalliance uses its knowledge and extended influence to ensure that policy makers at all levels of government are aware of the needs of community sustainable resource management groups. This ensures that these groups have a favourable environment in which to operate and that all new policies and regulations treat these groups fairly.

Currently any surplus we generate is re-invested in the business. In the longer term dividends may be paid to the shareholders which are all registered charities.

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2. WELCOME FROM THE CHAIR

In this third year of operation REalliance has very different challenges and opportunities from those of our first year. The global financial crisis and the response of the Coalition Government are shaping the consumer's behaviour - buying less, wasting less, reusing and recycling more. We are all more mindful of the need to reduce excess and focus on society's real needs. Yet even with recent progress, in the UK something like one third of food bought is still being wasted, and an estimated 4 million children are living in poverty (source: End Child Poverty 2010).

Our work at REalliance responds directly to those needs. We see the environmental and economic gains to be had from better management of biowaste, to reduce our greenhouse gas emissions, create valuable materials to be used on our land and to save consumers money through preventing food waste in the first place. We link this often to local communities as they mobilise to grow food locally with their own resources. Repairing broken or damaged furniture and white goods provides training and job opportunities as well as affordable furnishings for families on low incomes. Engaging directly with communities and businesses as they seek to recycle more and send quality materials to the marketplace helps to generate and re-circulate income within a community.

REalliance uses its relationships with Government and the third sector networks - the new Civil Society - to increase understanding of resource reuse and to drive up the quality of

operation. Most importantly, we remember that we are there to serve the needs of community and big society organisations for whom a little targeted support can go a long way.

This Business Plan sets out our strategy and objectives for the coming year, recognising that we are in a period of change and uncertainty in which all bodies receiving public funding are looking hard at how to achieve even greater value with the resources made available to us.

What stays constant though is the need to reduce waste, make better use of the resources we do use and ensure that communities and those less well off in our society benefit wherever possible. REalliance remains committed to those objectives through thick and thin.

We each have the power to make a difference - all it takes is a little action, a genuine spirit of partnership and an understanding of the untapped potential in our midst - to create social opportunity through better use of material resources.

We hope you share our values and support us on our journey.

Ray Georgeson, MBE

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3. THE SHAREHOLDERS

REalliance CIC is a partnership of four networks each of which supports a wide range of organisations working in the reduce/reuse/recycle sector.

Furniture Reuse Network: FRN is the national body which supports, assists and develops charitable re-use organisations across the UK. It does this to reduce poverty by helping households in need access furniture, white goods and other household items at affordable prices. In addition, it supports re-use organisations in providing training and work placement opportunities for people who are socially excluded. www.frn.org.uk

Community Recycling Network UK: CRN UK is the national voice for community-based recycling and waste reduction. It promotes community-based sustainable waste management as a practical and effective way of tackling the UK's growing waste problem. Waste is a valuable resource that can offer enormous opportunities for regeneration in deprived communities as well as helping build the social economy through providing jobs and training for the long-term unemployed and people with special needs. These successful community level social projects form the civil society of sustainable waste management. www.crn.org.uk

Community Composting Network: CCN is the UK-wide organisation that supports and promotes community groups, social enterprises and individuals involved in producing compost from green/food waste and using it in their local communities. It provides guidance on the social, educational and health benefits of organics as well as advice on composting. CCN is a members' organisation, self-managed by an elected committee. www.communitycompost.org

London Community Resource Network: LCRN is a charitable social enterprise supporting organisations and communities working to manage resources sustainably, especially through waste prevention, reuse and recycling. It is the largest community waste support network organisation in England, with a track record of delivery at a regional and national scale in England and a strong background in influencing policy, delivering sound business support and providing advisory support to local authorities. It connects community groups, charities and businesses all working towards responsible resource management and provides them with best practice, training, publicity and business support. LCRN's vision is of cities where communities, enterprises and the public manage resources sustainably. LCRN's mission is to help London manage resources sustainably to maximise environmental and community benefit. www.lcrn.org.uk

The Directors of REalliance CIC at 31 March 2010 were:

Ray Georgeson (Chair and non-executive director, independent consultant)
Mark Cook (non-executive director, partner in Anthony Collins Solicitors)
Sally Reynolds (non-executive director, CEO of Social Firms UK)
Cath Kibbler (CCN Co-ordinator)
Lucy Danger (CRN UK Chair of Trustees)
Craig Anderson (FRN Chief Executive)
Matthew Thomson (LCRN Chief Executive)

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4. OUR APPROACH

REalliance, through its networks, has built resilient and meaningful relationships with over 700 community groups and social enterprises working to value, protect, conserve and use our collective resources. We have strengthened our sector's ability to influence resource efficiency behaviour at an individual and corporate level, to be more efficient as businesses and to work in partnership with major contractors to divert materials away from landfill and into reuse. We ensure that the social benefits of resource reuse (particularly affordability and employment training) are understood and valued. We are well-positioned to make a major contribution to delivering key elements of the UK's challenging resource efficiency and sustainable development agendas. We aim to be the organisation of choice for partnering with government departments, local authorities and commercial contractors in all aspects of resource efficiency.

Our strategy for the next four years has five strands:

1. to consolidate our structure and membership
2. to increase our members' market share;
3. to work with others to ensure all new developments build in sustainability and resource efficiency principles from the start;
4. to increase opportunities for volunteering, training and employment in the sector;
5. to increase the financial sustainability and management efficiency of our member organisations.

In order to provide the highest quality of service to our members we review our policies, processes and performance regularly and implement recommended changes for improvement.

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5. REVIEWING OUR IMPACT

- Successful delivery of the TSCB programme (years 1 and 2), providing:
 - = support to 170 organisations;
 - = 1,445 training/ volunteering/ placements;
 - = 30,121 tonnes carbon saved; and
 - = 21,737 tonnes of useful material diverted from landfill.
- Recruitment of staff team (2.3 FTE Programme Manager, Administrator, Events & Marketing Manager).
- Strong bond developed between the founding organisations.
- Strong relationship developed with WRAP (Waste and Resources Action Plan).
- National conference held in December 2009 - 147 individuals attended, 79% rated it 'good' or 'excellent'.
- Secured 'Investing in Social Enterprise Expansion' funding (3 years to 2012).
- Interim Chief Executive appointed March 2010.

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6. ENVIRONMENT AND DRIVERS

The critical drivers are the integrated aspirations of the civil society, including directives on landfill and CO₂ emissions, and the drive to address worklessness.

The sector is focused on delivering not only the carbon offsetting but also the social benefits of alleviating poverty and promoting healthier lifestyles.

There are many people who are not engaged in the traditional labour market and are perhaps unable to access 'normal' routes to employment. Our network organisations are already very experienced in providing alternative training, placements and jobs in processes and operations connected with recycling and reuse. Individuals supported in this way are likely to reduce their dependence on state benefits and services.

Landfill tax is currently £48 per tonne and is rising annually by £8 per tonne. By 2014 it will be £80 per tonne and will almost certainly continue to rise. In addition, the need to avoid certain materials in landfill is likely to increase. Already there are opportunities for community organisations to partner with waste contractors to deal with materials that are low in volume and/or without an obvious end use.

Community groups and social enterprises are generally more efficient at maximising the benefit of reuse and offering solutions for difficult waste streams. The sector sees recycling as reusing valuable resources saved from landfill; the private waste contractors often miss the wider social benefits to be gained.

Within the next 10 years carbon trading will become better established and more widespread. Carbon credits and off-setting will be a ready market for creating income

for the Civil Society. Organisations needing to demonstrate reductions in their carbon footprint (renewable obligations certificates) will be attracted to social enterprises as long as the sector has developed robust and accurate auditing methods that give confidence to potential customers.

The drive to separate green waste from food waste is likely to provide a major opportunity for community organisations to provide a cost-effective solution to local authorities. Contracting with the Civil Society will enable the authority to gain greater and more local social benefits than can be achieved by standard private waste contracts.

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7. OUR PRIORITY AREAS

Resourceful collaboration describes the way we work. The members of the networks are many and varied, ranging from large social enterprises with a major turnover to small groups of individuals. It's not just about waste - although we are passionate about changing the way society consumes and disposes of resources we are also determined to maximise social benefits every step of the way. To this end we aim to:

- Achieve social justice by empowering people to make the best use of resources collaboratively.
- Champion practical self-sufficiency and resource conservation.
- Achieve, build, position and sustain a conduit for recycling and re-use organisations in the sector through resourceful collaboration at a national level.
- Value resources and people by building strong operators in Civil Society resource management through effective partnership working, leadership and representation, practical intervention, capacity support and development.
- Deliver direct response to sector opportunities in so-called waste by bringing together network bodies to work more effectively, providing one voice on many issues.

We are working closely with policy makers to embed the principles of resourceful collaboration into new guidance and legislation.

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8. OBJECTIVES AND ACTIONS - YEAR ONE (2010/11)

Successful delivery of Year 3 of the TSCB programme

April 2010 - Programme approved by WRAP and DEFRA

October - 35 projects started

Quarterly - programme review meetings

January 2011 - secure two months' additional TSCB funding to ensure all monitoring and evaluation is completed by 31 May 2011.

Determine Government programme opportunities for the next three years:

April to September - liaise closely with WRAP and DEFRA to ensure sector involvement in new programmes.

April to September - liaise closely with DWP/other departments to identify opportunities.

December - secure contracts for new government programmes.

Consolidate membership and structure of REalliance:

April - Board confirms strategy and timetable

May/June - subcommittees and network trustees meet

July - Board reviews progress

October - Board confirms schedule of actions

December/February - resolution proceeds through network boards' meetings

Deliver targets through the network:

40,000 tonnes of resources diverted from landfill

600 individuals in training, volunteering or placement

86,000 tonnes equivalent carbon emissions saved

Secure new waste diversion partnerships.

Provide support to those member organisations wishing to produce business plans and to obtain quality standards.

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9. OBJECTIVES AND ACTIONS - FUTURE YEARS (2011/14)

2011:

- Finalise the establishment of REalliance as the sector's representative
- Secure a resource partnership agreement with one major organisation in each of the construction, retail and local government sectors.
- Deliver Year 1 of the second TSCB programme

All years:

-April - publish Strategy and Business Plan for next four years

-May - hold national conference

-October - REalliance AGM well-attended

-Deliver excellent programmes and projects

-Provide central support services to the membership

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10. MONITORING AND EVALUATION

The board receives a quarterly report of performance against the business plan. We undertake a survey of all organisations assisted by REalliance during each year. A key component of the survey is a subjective analysis of how the support we have provided has made a difference to the recipient.

The specific targets associated with the TSCB programme (tonnages, placements, turnover) are reported to WRAP on a quarterly basis.

In order to secure carbon trading business REalliance needs to have a robust and credible audit system for demonstrating achievement of outputs. By March 2011 REalliance will have developed a system recognised by all parties involved in the waste sector.

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11.MANAGING OUR BUSINESS

As a social enterprise we are fully committed to ensuring that we work ethically and responsibly, that people are involved in shaping our activities and that our work provides benefits to communities. We maintain confidence in the competency of our board and staff through regular appraisal and review.

We recognise the value and importance of the networks and the wider membership. We aim to communicate meaningfully and to maintain excellent relationships throughout the sector.

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12.WORKING WITH KEY PARTNERS AND MARKETS

Our principal partner is WRAP whose TSCB programme forms the bulk of our work and revenue. We will complete the first three-year programme on 31 March 2011. A significant task for us during 2010 is to position ourselves to win the next programme, likely to be confirmed in autumn 2010.

REalliance is well placed to deliver many of the outcomes contributing to the scope of the civil society (for example waste, landfill and resource reuse as well as training, job creation and placements). Of particular note is the additional social benefit of giving families on benefits and low incomes access to affordable furniture and equipment and the economic impact of providing local volunteering and training placements. REalliance is working closely with elected members and civil servants to develop new revenue streams and integrate them with existing projects.

Founder Network charities and their members remain our core contacts and it is through them that the majority of our outputs are delivered. Community groups always collect resources in a way that preserves the quality and intrinsic value of the item and this usually minimises the extent of reprocessing necessary for reuse.

Emerging markets are found in the commercial sector; major initiatives are being developed with manufacturing, retail and hospitality sectors. With the integrated support of the auditing and sector quality-assured services we are finding new opportunities for working in direct partnership with the commercial sector through the clearance of retail distribution centres, working with hotels and their refurbishment contractors, and establishing new excluded-consumer markets for graded and returned goods. Work is on-going to provide regional and local commercial partners that are backed-up, managed and brokered through national delivery and standardised services. This work is now culminating in higher profile for the sector and diversification into new waste and recycling markets beyond the original perceived reuse service. For example,

the initial reuse of furniture with a major retailer is now resulting in new recycling initiatives and stewardship of new product waste streams.

Local Authorities are extremely keen to influence the behaviour of their residents in order to minimise the residual waste to landfill. REalliance is working closely with WRAP and its local government teams (ROTATE, organics, etc) to close the knowledge gap and to highlight opportunities for the sector to add value to the waste contracts.

The disposal of contaminated waste from hospitals is costly. We are working with the NHS to develop cost effective methods of separating at source the clinical waste from reusable, such as paper, in a way that cannot compromise public health. Substantial cost savings for the NHS Trusts are clearly achievable.

REalliance is now looking to support the growth of the resource reuse through the geographic expansion of current sector services and to encourage new operators who can deliver at scale. By identifying geographical gaps in service provision, matching social need with product waste arisings and finding robust third sector organisations/partners with the interest and ability to start up community waste operations, REalliance will ensure that the sector's logistical requirements are in place and that more sustainable and long term gain is made throughout the future of the programme.

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Appendix 1 – Programmes and projects

1. TSCB – Third Sector Capacity Building programme

The Third Sector Capacity Building Programme (TSCB) is an innovative three year partnership between WRAP and REalliance CIC and builds on the third sector's strengths in waste management as outlined in DEFRA's waste strategy 2007. The objectives of the TSCB programme are:

- to enhance the ability of front line Third Sector Organisations (TSOs) to obtain work and sustainably deliver quality services to customers in the waste and recycling sector;
- to strengthen the capacity and efficiency of the TSO support network and its enterprise culture.

The programme was launched in June 2008 and will run in its current form until March 2011. It provides three strands of tailored support:

a) Organisation Development:

This strand of the programme works with individual third sector organisations to help them to develop their capacity to deliver sustainable waste management services. This is achieved via one of two mechanisms:

- *Consultancy Support* - the emphasis is on practical help, troubleshooting and long term solutions. Any third sector organisation with a real interest in growing their capacity to reuse, recycle, compost or otherwise minimise waste can request consultancy support. Programme staff prioritise organisations that show the greatest potential for rapid growth and that demonstrate genuine commitment to change.
- *Interim Management* - offering organisations the chance to recruit short-term senior managers to assist them through periods of expansion, growth or other change. Organisations can themselves identify the skills and people they want to deploy, drawing on practitioner expertise from across and beyond the sector.

b) Market Development

The market development strand has objectives which collectively seek to increase third sector activity, namely:

- increase corporate, public and third sector awareness and take-up of third sector resource management services;
- identify new markets for third sector resource management services, and assist third sector organisations in entering them;
- influence market mechanisms to improve operating conditions for third sector organisations e.g. regulatory and legislative frameworks, commissioning and contracting arrangements, supply chain access and linkages.

c) Network Development

This strand of the programme works to develop the ability of third sector organisations to work together. Specifically its objectives are to:

- improve collaboration, knowledge and skill sharing between third sector organisations;
- introduce new players in the third sector resource recovery sector;
- strengthen the support and development infrastructure which facilitates these activities.

REalliance has committed to achieving the following outputs through the programme as agreed with DEFRA:

- to divert 60,637 tonnes of material up the waste hierarchy;
- to divert 116,852 tonnes of carbon dioxide equivalent;
- to increase the turnover of the sector by £5,305,701;
- to provide 1,500 value added work placements.



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2. I-SEE project – resourceful partnerships

This project links closely with the network development activity that is covered by TSCB. The match funding gives us the scope to extend the work beyond TSCB to areas where consortia may be effective but the tonnage diverted from landfill are not sufficiently great for inclusion in the TSCB programme.

I-SEE runs for three years from July 2009 and is currently supporting activities in three locations (Greater Manchester, London and Surrey). The project is part of the Social Enterprise Coalition broader Social Enterprise Business Support Programme



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Appendix 2 – Actions Year One 2010/11

Business Plan Objectives:

1. Successful delivery of Year 3 of the TSCB programme (all months)

Key outcome: Deliver targets through the networks.

Key milestones:

- April 2010 - Programme approved
- Quarterly - programme review meetings
- October - 35 projects started
- January 2011 - secure two months' additional TSCB funding to cover final monitoring.

Key Tasks:

- Prepare and manage schedule of meetings
- Ensure good operational Monitoring (contracts and outputs)
- Focus on administration and finances
- Manage and increase relationships
- Improve evaluation and publicity

2. Secure TSCB second phase (and/or other government programmes)

Key outcome: Position REalliance to win tenders for the next three years:

Key Tasks:

- April to September - liaise closely with WRAP and DEFRA to ensure third sector involvement in the new programmes.
- April to September - liaise closely with DWP / other departments to identify opportunities.
- December - submit the winning tenders for new government programmes.

3. Consolidate membership and structure of REalliance:

Key outcome: robust structure as the voice of the sector:

April - Board confirms strategy and timetable

July - Board reviews progress and schedule of actions

October - AGM with external invitees

January - appraise the Board and Directors

March - secure two new network members

Key tasks:

- identify staff time by task
- survey range of competencies / skills audit
- identify benefits (efficiencies) of closer working
- complete the policies/ procedures schedule
- achieve the Social Enterprise Mark

4. Secure additional income streams:

Key outcome: reduced single-grant dependency

Key tasks:

- identify new government priorities and opportunities
- secure new waste diversion and resource reuse partners
- scope opportunity for consultancy to other sectors / organisations
- research provision of services to networks

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