

# Rotherham Furniture Solutions (RFS) Sale and Disposal of Goods Policy

June - 2014

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## 1.0 Background

Rotherham Furniture Solutions (RFS) is the Council's Furniture Service that delivers the Furnished Tenancy Scheme to new tenants in Rotherham. The scheme has been operational since 2004 and was reviewed in 2009 to include more choice and flexibility for customers. The service has become extremely popular with new tenants to such an extent that the Council now has over 3000 furnished tenancies.

When a tenant wishes to leave their furnished tenancy or return items, the service has to either dispose or recycle items to a condition that they can be reissued back into the scheme.

Sometimes due to dents, scratches and general wear and tear items are not cosmetically viable to be reused back within the Furnished Tenancy Scheme, therefore alternative uses have to be sought to avoid disposal of workable items to ensure Best Value. This includes utilising used furniture in the Council's emergency accommodation properties for homeless applicants, furnishing emergency decants and also selling to Council Tenants, charitable agencies.

## 2.0. Key Aims of Policy and Procedure

The primary aim of this policy is to:

- Ensure that the scheme, when selling goods is operating within the remit of corporate financial regulations and legislative requirements
- Make clear the rules of how items are sold and who they are sold to.
- Ensure that robust management systems are in place to prevent fraud.
- Sets out the processes by which items are assessed and the decision making hierarchy of who items can be sold to
- Maximise the use of furniture assets to ensure Best Value and income generation.
- Have a written process of the services returns procedure for customers who purchase second hand items. .
- Highlight the process of the disposal of items that cannot be either used back within the furnished tenancy scheme or sold as second hand due to them being unrepairable therefore obsolete.

## 3.0. Legal and Regulatory Framework

The policy will also have regard to the legal and regulatory framework, in particular:

- Financial Regulations: Guidance Note 7 – Disposal & write off procedures of moveable assets.
- Financial Regulations: Section C5

- To ensure that any surplus plant, vehicles, furniture or equipment is sold by public tender or auction unless the financial interest of the Authority is better served by disposal in some other way.
- Not to sell assets to an officer of the Authority without the approval of the Director of Finance. We have tighter regulations than the Council's financial regulations; which means that employees are not able to purchase items to ensure transparency.
- Sales of Goods Act 1979.

#### **4.0. Furnished Homes Scheme**

Rotherham Furniture Solutions (RFS) operates the Furnished Homes Scheme; it is part of the Housing Options Service within Housing and Neighbourhoods Services. The scheme was set up in May 2004. The objective of the scheme is to offer Council tenants assistance in setting up and sustaining their home by offering a personalised furniture service. The scheme links and contributes to the Council's Corporate Plan priority 4 *"Helping people to improve their health and wellbeing and reducing inequalities within the borough"*.

Tenants can choose from a selection of furniture packs that are banded and charged according to the number of items. The items include furniture, white goods, and carpets. The tenant may choose carpets only or a furniture and carpets option. All charges are applied per week and form part of the weekly Housing rental charge. The service has over 3000 furnished tenancies which generates a weekly charge of approx. £60,000.

#### **5.0. How the Scheme Operates**

The new tenant can choose to have a furniture pack if they have been re-housed into a Council property, if the customer wishes to take up the option of having their property furnished they can place an order when signing for the property with the Choice Based Lettings (CBL) team.

There are 4 different packs for the customer to choose from, the packs are grouped into 4 categories; the categories are split depending on the number of items, this also determines the weekly furniture charge to be applied to the customers rent account. Customers can choose up to a certain band level depending on what size property they are signing for, however all can choose carpets if they wish.

Customers can choose from the following items:

- 2 Seat Sofas
- Arm Chairs
- Fridge
- Cooker
- Fridge Freezer
- Washing Machines
- Dining Table and Chairs
- Single Bed
- Double Bed

- Wardrobe
- Chest of Drawers

Customers can chose carpets only if they wish and will be charged the weekly amount accordingly. The items provided could be a mixture of new and refurbished furniture.

3.1 Furniture Pack Options				
	Bronze	Silver	Gold	Platinum
	1 - 3 Items	4- 5 Items	6 - 9 Items	10 - 14 Items
1 Bed	✓	✓		
2 Bed	✓	✓	✓	
3 Bed	✓	✓	✓	✓
4 + Bed	✓	✓	✓	✓
Band Charge	£9.68	£15.29	£24.74	£34.91
+Carpets	£20.11	£25.72	£35.17	£45.34
Carpets only	£10.43			

\*Note all charges are applied per week and form part of the weekly rental charge.

## 6.0. Recycling & Second Hand Furniture

Not all items that are provided to tenants as part of the scheme are new – where possible the service will clean and recycle items that have been returned to us and re-use back within the scheme, this saves the Council thousands of pounds in buying new furniture and ensures Best Value.

Any items that are returned by tenants when they terminate their furnished tenancy or they just wished to swap an item are assessed with a condition report, the assessment will identify what repair or cleaning will be required to bring the items up to standard for re-use within the scheme.

Items that are assessed and are found to have cosmetic defects that cannot be repaired but are still in working order will not be reused back within the scheme. These items will be put up for sale as second hand stock.

### 6.1. Furniture Condition Assessment

When items are either returned via a void clearance or returned as unwanted by a customer an assessment will take place by a Maintenance Officer. (*Appendix 1 Condition Report*) the condition report also records the journey of the item once the item has returned to the warehouse. Maintenance Officers are responsible in the assessment of the condition of the

item, however will seek guidance of the Senior Maintenance Officer if they are unsure of the categorisation of the item. The assessment includes the identification of:

- Cosmetic Damage
- Working Condition
- Cleanliness
- Age of Item

The outcome of the report will determine if the item is to be reused within stock, sold or if unrepairable - disposed of.

White goods are electrically tested to make sure they are working and safe for re-use. If the item isn't working and is unrepairable then the item will be disposed of appropriately, and if metal will be "weighed in" for scrap. The income from scrapping white goods is directly paid into the budget code.

## 6.2. Recycled Items

Items that have minimal to no physical external damage are cleaned, PAT tested and recorded on the Asset Management System as "Recycled" stock. These items are to be reused within the Furnished Tenancy Scheme. These items are provided to new tenants entering the scheme or to existing tenants wishing to swap items within the conditions of the scheme.

## 6.3. Second Hand Items

Items that have been assessed and tested that are in working order but suffer from cosmetic damage, including scratches, dents and marks that cannot be reused back within the Furnished Scheme will be marked as second hand, a hierarchy of how these items are used/sold will be adhered to. Items that are deemed second hand will be prioritised for internal use as follows:

- A. Emergency Accommodation replenishment
- B. Housing Management Emergency Decant furnishing.

These services are in house and part of Home Services; any items used within these properties will be marked in WASP as "disposal" "Emergency Accommodation"

If there is still surplus second hand items in stock then these items will be prioritised for sale as follows:

- A. Council Tenants and residents entering private rented accommodation via homeless prevention or homelessness, and customers that have obtained a LASER loan wishing to purchase furniture.
- B. Charitable organisations/Not for profit organisations (Housing Associations, other local authorities)

Category A orders will take priority over second hand goods stock, if there are no outstanding orders in category A for individual items, then category B will be able to purchase items available, the Property Management Officer will check the Second Hand

Order Database to ensure there are no outstanding orders from category A customers prior to ordering for category B customers.

With all sales of second hand goods the onus will be on the customer to contact RFS regarding furniture availability. If the service has a surplus of stock that is preventing the space required for recycled furniture, RFS will actively contact known customers from category B to inform of availability and stock.

### 6.3.1. Sale of Goods

The sale of goods that are damaged and cannot be recycled will only be allowed if a surplus of second hand stock is identified. After all other internal furniture requirements have been met, ensuring that there are no outstanding internal orders waiting stock. Prices for second hand items for sale are identified on the second hand order form (*Appendix 2*). The order form number will be completed sequentially to ensure that orders are fulfilled in order and that a track of orders can be kept, the order number will be generated from the RFS database.

Surplus stock Items that are for sale will not be sold via auction methods, any purchase requests from either organisations or individuals will be made via the official order form and to the set price as stipulated on the form. All orders will be sequentially numbered to ensure that orders can be traced and processed in order.

Sales to organisations will occur via the existing invoicing processes; this means that any charitable not for profit organisations wishing to purchase items will have to provide:

- organisation name, address telephone number
- contact name & department
- valid purchase order number

This is to ensure that RFS can send the appropriate invoice for payment. Items sold to organisations can be collected from Parkgate Court, negating a delivery charge, delivery can be requested but this will be chargeable and stipulated on the order confirmation.

Invoices are monitored weekly by Property Management Officers via the Sundry Debtors report received weekly to ensure payment has been received before goods are delivered.

As part of the financial safeguards of the scheme, there are no sales to staff and any furnished tenancy customers wishing to exit the scheme will be able to purchase second hand furniture to ensure that they can sustain their tenancy; if a customer has carpets however due to their nature they are unable to purchase these.

Any items sold to individual's tenants or to LASER customers will need to follow the same order process, ensuring that the items are requested via the official order form. Items that are ordered by individuals will need to be paid for prior to the delivery of items. Customers can pay via the Council's "web pay" or the service can set up an invoice to be paid at Riverside House. Items cannot be collected by individual customers, unless approval has been sought from the Home and Property Services Manager. Items that are delivered will be subject to a delivery charge identified on the initial order form.

When an item is sold and no longer a Council asset, this has to be reflected within the Asset Management System “WASP”. Confirmation of delivery instigates the input of disposal type “sold” within the system; the responsibility to input this data is that of the Property Management Officer’s.

All information regarding the sale of items will be retained in the Rotherham Furniture Solutions Operational Database (*Live September 2014*) Records will be retained for a minimum of 6 years.

#### **6.4. Price List**

Prices for each individual second hand item will be set by the Home Services Manager annually, and will reflect market value of similar second hand products whilst remaining affordable for the customer group we are selling to. This will avoid prices being open to interpretation and will ensure a fair and equitable pricing structure. Benchmarking with similar services in both the public and private sector will take place to ensure that the prices are both reasonable and competitive.

#### **6.5 Monitoring of the Sale of Goods**

Purchasing trends are to be monitored by the Furnishing Accommodation Coordinator to ensure bulk purchasing or purchasing for resale and financial gain is not taking place and taking advantage of affordable furniture prices. This will be monitored monthly and form part of the service Quality Assurance checks, any anomalies or suspicious purchases will be notified to the Housing Options Manager, who will instigate an investigation into any sales.

**To minimise the risk of internal fraud no items will be eligible for sale to employees of RMBC.**

The Home and Property Services Manager will monitor monthly income generated from the sale of items through budget monitoring.

#### **6.6. Returns Policy**

A consumer has rights where goods are faulty or not as described, therefore all items sold will identify its condition and state the item is “second hand”.

Under the Sale of Goods Act 1979, a consumer may be entitled to a refund, replacement, repair and/or compensation where goods are faulty or not as described.

If this is the case the customer will be required to provide:

- Receipt of purchase (Invoice/web pay receipt)
- That the items have not been tampered or altered in any way.
- Unwanted items are returned within 14 days of purchase
- Faulty items will be repaired or replaced, within 1 calendar month of purchase.

The following policy statement is displayed on the official order form:



*'Returns policy - If you change your mind about your purchase, please return the unused goods and in the condition received with proof of purchase within 14 days and we will offer you an exchange. This does not affect your usual consumer rights, including your right to claim a refund, replacement, repair and/or compensation where the goods are received as faulty or mis-described.'*

Card payments that are refunded will be refunded via Council's Web Pay System, Cash refunds will be made via a check requisition, and this will ensure that ALL refunds are recorded via the Council's payment systems.

All refunds and exchanges will be reconciled on the RFS Data Base against the customer record.

## **7. Disposal of Goods**

Items that are not repairable and/or suffer from major cosmetic damage and cannot be reused or sold will be disposed of. Items identified as requiring disposal will need to be checked by the Maintenance Supervisor or in their absence a Furnishing Coordinator, prior to the disposal and approve "to be disposed of" this will be recorded within WASP as disposed "scrap".

White goods will be noted on the scrap income form, and recorded against the item serial number and/or barcode. The Maintenance Officer taking the items for scrap is responsible for recording this data and includes the number of items, type of item, weight and amount (£) to be received, this amount is directly transferred to the Furnished Budget as income, no money or cheques are exchanged as this is now illegal, accounts with the Council have been set up to ensure an automated payment process is in place.

*Note: The scrapping of fridges does not generate income and actually costs the service to dispose of them, this is chargeable as is the disposal of brown goods such as sofa's, mattresses, tables and chairs etc.*

### **To summarise, the management controls will include:**

- Returned items will be assessed, tested and cleaned to maximise furniture recycling this will be checked by the Maintenance Supervisor.
- Records will be created within the asset management system WASP and labelled appropriately.
- Spot checks to ensure items have been marked and labelled appropriately will be carried out by the Furnished Accommodation Coordinator monthly and will be part of the monthly QA checks.
- All items that fail functionality testing and being economic repair will be checked by the Maintenance Supervisor prior to disposal.
- Disposal of items will be recorded and input into the asset management system.
- Sale of goods will be processed by Property Management Officers with orders and invoices recorded within the Furnished Data base – records will be kept for 6 years
- All orders will be sequentially numbered to ensure that orders can be traced and processed in order.
- All payments will be processed through the Council's corporate payment channels (Sundry Debtors Invoice and Web Pay).

- Property Management Officers will ensure all payments are made promptly and will monitor payments weekly via the automated report generated, this will be QA checked by Furnished Coordinators monthly.
- The Property Services Manager will monitor to ensure QA checks are being carried out monthly and that roles and responsibilities are outlined in employees PDR's, with any training requirements being met.
- The asset management system "WASP" will be set up with a hierarchy to ensure roles and tasks match that of officer responsibility.

## Sale and Disposal of Goods Flow Chart - Appendix 3

### 8. Health and Safety

The Furnishing Scheme is delivered at a local level, via home visits, which supports the Council's commitment to providing greater accessibility to services, meeting social needs by helping to ensure a better quality of life, improving fair access and choice, protecting, keeping safe vulnerable people and specifically addresses the diversity agenda, by tailoring services to the needs of hard to reach groups.

Furniture items are tested by individual Maintenance Officers who are qualified to carry out PAT testing, these records will be monitored and be the responsibility of the Maintenance Supervisor to ensure records are kept up to date and stored appropriately and for the correct length of time, all items that are sold will have had a recorded PAT test prior to sale.

To ensure Health and Safety procedures are adhered to, the team work within the provisions of ETAB procedure. A copy of this procedure is available to all Housing Options staff. The ETAB procedure contained personal staff information and is therefore not published or available to non-Council members.

All deliveries are undertaken in line with the Furniture Delivery Risk Assessment which is reviewed periodically and to ensure the safety of employees and customers.

All accidents should be reported via the corporate accident reporting procedure. Any threats of violence or actual violence against staff will be reported to the police and legal action will be pursued against the perpetrator. Staff will work to the policy and guidelines on work related violence to employees in line with:

- The Health and Safety at Work Act
- The Management of Health and Safety at Work Regulations 1999
- Approved Code of Practice and guidance L 21

### 9. Safeguarding

All safeguarding issues will be reported to the Safeguarding Team as per the Council's safeguarding policy. Officers will also report all safeguarding issues directly to the Home Services Manager.

### 10. Complaints

All complaints are dealt with under the corporate complaints procedure. Advice and guidance for staff dealing with complaints can be found on the intranet. Advice for customers wishing to register a complaint can be gathered from:

[http://www.rotherham.gov.uk/info/200119/customer\\_services/1081/making\\_a\\_complaint/1](http://www.rotherham.gov.uk/info/200119/customer_services/1081/making_a_complaint/1)

Complaints can be made by writing in, emailing or telephoning.

## **11. Data Protection**

The Council will comply with the Data Protection Act 1998 and Article 8 of the Human Rights Act and will show proper regard for the confidentiality of service users and employees personal information.

Rotherham Furniture Solutions will work within the guidelines of the Council's Data Protection Policy

## **12. Equality and Diversity**

The Council will comply with the Equality Act 2010 and related legislation as per below:

- Equal Pay Act 1970
- Sex Discrimination Act 1975
- Race Relations Act 1976
- Disability Discrimination Act 1995
- Employment Equality (Religion and Belief) Regulations 2003
- Employment Equality (Sexual Orientation) Regulations 2003
- Employment Equality (Age) Regulations 2006
- Equality Act (Sexual Orientation) Regulations 2007

The Council will comply with all anti-discrimination legislation including:

- Human Rights Act 1998
- Carers (Equal Opportunities) Act 2004
- Civil Partnership Act 2004
- Gender Recognition Act 2004
- Work and Families Act 2006

**Appendix 1 – Furniture Assessment Form**

<b>Item</b>			<b>Serial No.</b>	
<b>From</b>				
	<b>Date</b>	<b>Comments</b>	<b>Name/Signature</b>	
<b>In</b>				
<b>Function Test 1</b>				
<b>Repaired</b>				
<b>Cleaned</b>				
<b>PAT Tested</b>				
<b>Function Test 2</b>				
<b>Assessed For</b>				
<b>Out</b>				
<b>To</b>				
-----				

## Appendix2 Second Hand Goods Order Form

Goods For Sale Order form				
Order Form Number				
Customer Name				
Delivery Address				
Post Code				
Tel no:				
Delivery date		2nd Hand Price	Quantity	Total
Item		£40.00	0	£0.00
Dryer		£60.00	0	£0.00
Electric Cooker		£40.00	0	£0.00
Fridge (Larder)		£40.00	0	£0.00
Fridge (With Ice Box)		£60.00	0	£0.00
Fridge Freezer		£60.00	0	£0.00
Washer		£60.00	0	£0.00
2 1/2 Seat Sofa Leather		£80.00	0	£0.00
2 Seater Sofa Leather		£70.00	0	£0.00
2 Seater Sofa PVC		£60.00	0	£0.00
Armchair - Leather		£35.00	0	£0.00
Armchair - PVC		£30.00	0	£0.00
Armchair Charcoal Fabric		£25.00	0	£0.00
Armchair Chocolate Fabric		£25.00	0	£0.00
Coffee Table		£15.00	0	£0.00
Large Table & 4 chairs		£20.00	0	£0.00
Small Table & 2 chairs		£15.00	0	£0.00
Dining Chairs		£3.00	0	£0.00
Sofa Charcoal Fabric		£50.00	0	£0.00
Sofa Chocolate Fabric		£50.00	0	£0.00
Chest of Drawers		£15.00	0	£0.00
Double Bed Divan Base		£20.00	0	£0.00
Double Bed Metal Frame		£20.00	0	£0.00
Mattress Double		£30.00	0	£0.00
Mattress Single		£15.00	0	£0.00
Single Bed Divan Base		£15.00	0	£0.00
Single Bed Metal Frame		£15.00	0	£0.00
Wardrobe		£25.00	0	£0.00
<b>Sub Total</b>				<b>£20.00</b>
<b>Delivery £20.00</b>				<b>£20.00</b>
<b>Subtotal</b>				<b>£4.00</b>
<b>VAT@ 20%</b>				<b>£24.00</b>

Goods Received by

Date

Receipt No.

Rotherham  
Furniture Solutions

\*\*\* Returns Policy \*\*\*\*\*If you change your mind about your purchase, please return the unused goods to unused by you and in the condition received with proof of purchase within 14 days and we will offer you an exchange. This does not affect your usual consumer rights, including your right to claim a refund, replacement, repair and/or compensation where the goods are received as faulty or misdescribed.

## Appendix 2 Process Map

