

Report of the Cabinet Member for Environment & Transport

Cabinet Advisory Committee – 15 June 2016

RE-USE SHOP

Purpose:	This report provides details of the income and expenditure from the Re-Use shop facility located at the Baling Plant Llansamlet
Policy Framework:	Sustainable Swansea – fit for the future
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FOR INFORMATION	

1. Introduction

- 1.1 As part of the Commissioning Review into Waste Management the Environment Cabinet Advisory Committee has been requested to investigate the operation of the Re-Use shop situated at the Baling Plant. The Committee has already had a presentation giving an overview of the service and also visited the site to see the shop in operation. Following the visit a request was made to report back to the Committee with details of the financial arrangements in terms of income and expenditure.

2. Background

- 2.1 The Welsh Government has set recycling targets that the Authority has to meet; failure to meet the targets could result in fines in the region of £250k each year for each 1% the target is missed by. The target was initially set at 40% for 2009/10 rose to 52% in 2011/12, 58% in 2015/16 and is set to rise to 64% by 2019/20 and ultimately 70% in 2024/25.
- 2.2 To meet these targets the Authority has implemented a range of initiatives to help reduce waste, encourage re-use and boost recycling. One such initiative was the opening of a 'Corner Shop' at the Baling Plant which aims to encourage residents to donate items that would have otherwise have been sent to landfill, to be re-used. The shop was launched in 2012 and was set up using Specific Grant funding from Welsh Government.
- 2.3 The shop has proved to be popular and the Authority has received a great deal of good publicity and feedback from those who use the facility and from other Local Authorities who have visited to see the facility in operation

3. Current Situation

3.1 The shop operates 7 days a week 8.30am-4.30pm. The facility currently employs 3 FTE's to run the sales side of the operation (2 of which are on site at any one time). In addition there are also 2 No technicians who test and repair electrical items which are donated to the shop, to ensure they are in working order and safe to be sold on. All the staff detailed above are employed on an Agency basis. The shop also employs, in collaboration with Social Services, 3 adults with learning disabilities on a part times basis (Mon-Fri). The Authority is also undertaking a trial whereby it is renting out a small unit adjacent to the shop to a third party, with a view to repairing and selling larger TV's through the shop in return for a weekly rental. This trial is currently ongoing and will be reviewed and assessed to see if it offers a viable way forward for the future.

3.2 The cost of employing the staff detailed above can be summarised as follows:-

3 No Shop sales staff	£74,000
2 No Repair Technicians	£46,000
3 rd Party Technician	Nil
Total	£120,000

3.3 The third party technician is not paid by the Authority. Other costs associated with the running of the shop include, the collection of items from other Household Waste Recycling Centres for the shop, supervision and day-to-day consumables which are in the region of £10,000 per year.

3.4 Income from the shop can vary week to week but averages out at around just over £2,000 per week. The income for the last 12 months amounted to £108,000 plus VAT. The third party trial described in 3.1 generates an income of £5,000 per year.

3.5 The shop sold around 250 tonnes of goods last year, much of which would have either gone direct to landfill at a cost of over £100 per tonne or sent for reprocessing at variable cost depending on the type of material .

3.6 Summary of the income/expenditure from the operation of the Re-use shop:-

Function	Expenditure	Income/Savings
Sales staff	£74,000	£108,000
Technicians	£46,000	
3 rd Party Technician	Nil	£5,000
Other Costs	£10,000	
Landfill/reprocessing savings		£15,000
Total	£130,000	£128,000

3.7 Due to the current system employed to book materials in and record the quantity and types of materials sold at the shop it is difficult to break the figures down any further at this point. The facility is currently in the process of being extended, utilising a grant from Welsh Government. Part of the expansion plans include the purchase of an upgraded till which will enable the types and weights of materials sold to be recorded more accurately. This will enable a more accurate analysis of the stock and sales of the goods passing through the shop to be made and identify areas which can be improved.

4. The Future

- 4.1 As stated above the facility is currently in the process of being extended. This will enable the Authority to consider a number of new initiatives to boost income, increase the throughput of goods and the extent of the community benefit the facility provides.

New initiatives would include:-

- a) Expand the range of goods that can be recovered and sold including textiles and white goods (such as cookers/washing machines).
- b) Explore the option of internet sales.
- c) Improve pricing of goods to ensure optimum income is generated.
- d) Explore how the service could be best provided and by whom.
- e) Further explore working with charities/3rd sector organisations to ensure benefits are felt by wider community.
- f) Explore option (If run in-house) of reducing the reliance of using agency staff to run facility.

5. Financial Implications

- 5.1 There are no financial implications associated with this report.

6. Legal Implications

- 6.1 There are no legal implications associated with this report.

Background Papers: None.

Appendices: None.