

## **Report to the Cabinet**

**Report reference:** C-073-2013/14

**Date of meeting:** 3 February 2014



**Epping Forest  
District Council**

**Portfolio:** Environment

**Subject:** Epping Forest ReUse

**Responsible Officer:** Michael Warr (01992 564593)

**Democratic Services Officer:** Gary Woodhall (01992 564470)

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### **Recommendations/Decisions Required:**

- (1) That District Development Funding in the sum of £20,000 be allocated to the budget for 2014/15 financial year to assist with the ongoing development of the furniture exchange scheme known as Epping Forest ReUse;**
- (2) That the funding not be released until such time as the result of the London-Stansted-Harlow Programme of Development funding bid is known; and**
- (3) That the decision to release the funding be delegated to the Environment Portfolio Holder in consultation with the Finance and Technology Portfolio Holder and with regard to the outcome of the bid.**

### **Executive Summary:**

Epping Forest ReUse, a social enterprise furniture exchange scheme, has been in operation in Epping since April 2013. Financial figures supplied for the first four months of trading at the scheme showed a slightly above budget turnover for the period of £44,061 in sales, which plus further credits and net of cost of goods, repairs and refunds brought the net income for the period to £30,099. Deduction of trading expenditure resulted in a net trading result of -£9,531. Assuming budgeted sales for the remaining months of the year are met and budgeted expenses for the period are not exceeded, the forecast end of year position is a deficit of £17,161.

Funding in the sum of £76,500 has been submitted to the London-Stansted-Harlow Programme of Development Growth Fund to support the scheme in a number of ongoing initiatives as well as some of its day to day running costs. There is no guarantee however that this application will be successful, either in total or in part.

Pending the outcome of this bidding process it is therefore requested that District Development funding in the sum of £20,000 be agreed in order to strengthen the scheme in its ability to enhance and further develop the good work it has already achieved.

### **Reasons for Proposed Decision:**

The project has an important role to play in the District both as a supporter of those families that find themselves in severe financial hardship and as a recycling outlet for large items of furniture that otherwise might be consigned to landfill.

The trading figures of the scheme to date show that neither the level of support it affords to families in need nor the amount of furniture it is potentially saving from landfill are insubstantial.

Disadvantaged people are able to source good quality essential furniture at minimal cost, improving quality of life and contributing directly to increasing self-esteem, family harmony community integration and improved prospects of training and employment.

It also offers people who wish to dispose of their unwanted furniture, the opportunity to contribute positively to the local community by reducing the amount of waste destined for landfill.

### **Other Options for Action:**

It is an option to refuse to provide this £20,000 of funding and leave the project to rely on its own funds and the outcome of the bid to the London-Stansted-Harlow POD Growth Fund. Failure to secure sufficient funding from that bid could have the double impact of preventing the scheme from exploring new initiatives and opportunities to develop whilst also putting its ongoing operation and financial stability at risk

### **Report:**

1. Members will be aware that Epping Forest ReUSE, a social enterprise furniture exchange scheme, has been in operation in Epping since April 2013 with three key charitable objectives:

- (a) to relieve financial hardship of residents by supplying safe, clean furniture and tested household appliances at a discount to those in receipt of benefits and free of charge to those in severe financial hardship;
- (b) to protect and preserve the environment by re-using furniture, appliances and equipment that may otherwise have been consigned to landfill; and
- (c) to advance education by the provision of training and work experience opportunities for staff, volunteers and unemployed jobseekers.

2. Epping Forest ReUse is, in fact, the new name of the re-established Furniture Exchange Scheme which had previously operated from the District Council's depot in Town Mead, Waltham Abbey.

3. District Development funding in the sum of £20,000 was agreed by Cabinet in June 2012 to assist with the re-establishment of the scheme, with an additional £10,000 having also been agreed as a one-off grant to the scheme as part of the HRA for 2012/13.

4. The new scheme eventually found suitable premises and began operations in April 2013 and the funding was therefore held over to the 2013/14 financial year.

5. In the first six months of trading, discount of £5,687 was given to clients of the scheme. Additionally, approximately £1500 worth of goods were supplied free of charge to clients in extreme financial need referred by EFDC and other agencies. Approximately £30,000 of goods was ordered from the scheme by Essex County Council's Essential Living fund for people in financial crisis. Some 394 invoices issued out of a total 1191 invoices were for discounted or free of charge furniture indicating the level of assistance the project is giving to families in need.

6. Approximately 64,777kg of goods have been sold or given away. Whilst this may not all have ended up in landfill the scheme will have made a significant contribution to reducing the amount of this furniture that would otherwise have been scrapped.

7. Financial figures supplied for the first four months of trading at the scheme showed a slightly above budget turnover for the period of £44,061 in sales, which net of cost of goods, repairs and refunds was £29,756. Further credits brought the net income for the period to £30,099.

8. Deduction of trading expenses resulted in a net trading deficit of £9,531.

9. Assuming budgeted sales for the remaining months of the year are met and budgeted expenses for the period are not exceeded, the forecast end of year position is a deficit of £17,161. This position includes a contribution to rental costs from two sub-letting tenants, MIND and Citizens Advice Bureau, who have taken space in the building and jointly contribute rental income of £6,000 for the period August to January 2014 (£12,000 per year).

10. The Epping Forest ReUse Business Plan 2013/14 projects financial viability and sustainability is expected to be achieved within 2-3 years of commencement of trading.

11. A bid for additional funding has been submitted by the District Council on behalf of Epping Forest ReUse to the London-Stansted-Harlow Programme of Development (POD) Partnership Board. A Growth Fund of £138,000 is available for organisations to bid for and the Council has submitted a bid totalling £76,500 to help fund a number of initiatives at the scheme.

12. The breakdown of funding requested is as follows:

- £34,000 Purchase of van for transport of goods;
- £10,500 Contribution to annual rent of £22,500 based on ongoing subletting contributions of £12,000;
- £25,000 (includes on-costs) Recruitment of handyman to work with volunteers to teach them renovation and repair skills;
- £4,500 Travel costs for 3 people per week at £30, for 50 weeks a year = £4,500; and
- £2,500 Work clothing, safety equipment, refreshments, tools and consumables (paint, varnish, etc.).

13. There is no guarantee that this funding will be secured either in full or in part. A number of other organisations have submitted bids, some of which, if approved in full, would take all of the available monies and leave Epping Forest ReUse with no additional funding for its valuable work. The outcome of this bid will not be known for some months.

14. It is for this reason, and in order to strengthen the scheme in its ability to enhance and further develop the good work it has already achieved that District Development Funding of £20,000 is requested.

15. That said, it is considered appropriate that the outcome of the POD Growth fund be known prior to the release of this additional £20,000 of funding. Upon the completion of the bidding process, successful or otherwise, it is recommended that any decision to draw down these additional supporting funds should be delegated to the Environment Portfolio Holder in consultation with the Finance and Technology Portfolio Holder and with regard to the outcome of the bid.

**Resource Implications:**

A District Development Fund item in the sum of £20,000 would need to be added to the budgets for 2014/15.

**Legal and Governance Implications:**

There should be no legal or governance implications for the Council. As with previous funding, documentary evidence from the scheme will be supplied to the Director of Corporate Support Services / Director of Governance and the s151 Officer.

**Safer, Cleaner and Greener Implications:**

As set out within the body of the report the continued support of the scheme has considerable environmental benefits in terms of large furniture objects saved from landfill. In addition, within the new Waste Contract currently being tendered for, the specification states that the incoming Contractor must divert all reusable furniture items away from landfill, and most of the bidders have already spoken to the Epping Forest ReUSE. Over the six month period leading up to 31st October 2013 Epping Forest's current contractor collected a total of 2636 items of which 2442 could be diverted to the Epping Forest ReUSE facility.

**Consultation Undertaken:**

None.

**Background Papers:**

Epping Forest ReUse Business Plan 2013/14, London-Stansted-Harlow Programme of Development Growth fund bid document, Correspondence with the project on the levels of sales, discounts, support and recycling etc.

**Impact Assessments:**Risk Management

Given that the scheme is now firmly established and up and running as a commercial entity it is not envisaged that there are any new health and safety, legal or financial issues that would not have been considered in any risk assessment carried out prior to the setting up of the project.