

EXETER CITY COUNCIL

**EXECUTIVE
21 JUNE 2011**

SUPPORT FOR EXETER SCRAPSTORE

1 PURPOSE OF REPORT

- 1.1 This report seeks approval for the transfer of assets and for some initial financial support to the Exeter Scrapstore, a new charity set up to provide scrapstore services to the City and surrounding area.

2 BACKGROUND

- 2.1 Exeter Scrapstore has operated for many years out of a hut in Belmont Park. The Scrapstore was part of the Council's Leisure and Museums Unit; it has been fully funded by the City Council and the staff are Council employees. The Scrapstore takes unwanted materials from businesses and sells them on to its members who include schools, playgroups, students and individuals.
- 2.2 As part of the budget reductions forced upon the Council a decision was taken to end the service on 31 July 2011 with the staff at risk of redundancy.
- 2.3 A new charity, Exeter Scrapstore, has subsequently been set with the aim of providing scrapstore services in the City. The charity has a suitably qualified trustee board and a robust business plan and intends to employ two part time staff who were formerly employed by the Council at the Scrapstore.
- 2.4 Members have been supportive of this approach and informally indicated that the Council would assist this new enterprise. This report details the form that this support might take and seeks formal approval for it.

3 PROPOSALS

Accommodation

- 3.1 The Scrapstore occupies the majority of Hut 2 in Belmont Park plus four shipping containers, two nearby at Clifton Hill and two at Riverside Leisure Centre. Two other organisations, the Merry go Round Toy Library and Magic Carpet occupy parts of Hut 2 on lease from the Council and currently receive rent grant support.
- 3.2 There are legal constraints which prevent the two containers at Riverside being leased by the Council to a third party. The Gatehouse at Clifton Hill was used until recently by the Play Rangers and is now vacant. The Gatehouse offers storage equivalent to two containers.
- 3.3 It is proposed that the Council grants a lease for the whole of Hut 2 to the new Exeter Scrapstore charity (subject to the two existing leases), the Gatehouse and the two containers at Clifton Hill. This lease would be internal repair and contracted out of security by the Landlord and Tenant Act 1954. The new Exeter Scrapstore would then become landlord to Magic Carpet and the toy library.

- 3.4 The rental of Hut 2, the Gatehouse and two containers has been assessed at £8,500 per annum. The rent paid by Magic Carpet and the toy library totals £1,825 per annum; rent grant has already been approved for this amount. The new Scrapstore would therefore require rent grant assistance of £6,675 per annum.
- 3.5 The three organisations will be responsible for other costs of occupation such as electricity and these will be shared on a floor area basis. As charities all of the organisations will be eligible for assistance with their rates.

Assets

- 3.4 The most significant asset which we propose transferring is the Ford Transit panel van (registration WJO6 HYX) which is used to collect and transport the scrap materials. It is proposed that this vehicle which is valued at £6,250 is transferred to the ownership of Exeter Scrapstore. The charity would be responsible for all running costs.
- 3.5 In addition to this it is proposed that all the fixtures and fittings within the buildings and their contents transfer to the charity. Apart from a ladder purchased for £103 within the last year the other items are old and of low value. These include 2 PCs, 2 printers and a photocopier. The shop stock (paper, paint glue etc) has a total value of around £2,500.
- 3.6 The council owns some play equipment which was used by the play team when they ran play days and also by the play rangers. All the items are old and of low value. It is proposed that ownership of this equipment is transferred to the Exeter Scrapstore which has offered to retain this and make it available for loan to community groups which might want to use it for events.

Income

- 3.6 Scrapstore income is derived from membership fees as well as from the day to day sale of scrap. Members pay their annual fee beginning at their joining date rather than all from a single fixed date. It is proposed that the Council transfer all Scrapstore membership income received which is in excess of the 2011/12 budgets to the Scrapstore. The alternative would be for the Council to reimburse members and for the new trust to reinvoice them which would be a wasteful and costly process.

Grant

- 3.7 Whilst Exeter Scrapstore would like some additional assistance in the form of a cash grant from the Council, this is not proposed in this report as the Council's grants budget for 2011/12 has already been largely committed. The Scrapstore business plan is predicated on achieving external grant aid in 2011/12 and the following year. The Scrapstore has made a number of applications to grant aiding bodies. Thus far they have won £5,000 from South West Water, £1,000 from County Councillor Westlake and a number of smaller sums. This has allowed them to build up the reserve which a charitable body of this sort is expected to have.

5 RECOMMENDED that

- 1) Executive approves rent grant support to the Exeter Scrapstore of £6,675 and that this sum is added to the Grants Committee budget.

- 2) The ownership of the Ford Transit van registration WJO6 HYX is transferred to Exeter Scrapstore
- 3) The contents of Hut 2 and the other buildings rented by the Exeter Scrapstore including shop stock, together with some play equipment be transferred to the ownership of Exeter Scrapstore.
- 4) The balance of membership fees received during the current financial year are transferred to Exeter Scrapstore at the end of July 2011.

DIRECTOR COMMUNITY & ENVIRONMENT

S:PA/LP/ Committee/611EXEC1
8.6.11

COMMUNITY & ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:**

None