

EAST AYRSHIRE COUNCIL

COUNCIL - 7 JUNE 2007

**KILMARNOCK AND LOUDOUN FURNITURE REDISTRIBUTION SCHEME
(now known as Ayrshire Household Recycling Company)
GRANT FUNDING 2007/2008**

Report by Executive Director of Educational and Social Services

1. PURPOSE OF REPORT

- 1.1** The purpose of this report is to advise Members of the Council of the outcome of the annual evaluation of Kilmarnock and Loudoun Furniture Redistribution Scheme (referred to hereafter as Ayrshire Household Recycling Company) and to make recommendations accordingly.

2. BACKGROUND

- 2.1** Education Committee on 25 May 2004 agreed to establish a Service Level Agreement with the Ayrshire Household Recycling Company for the period 1 April 2004 to 31 March 2007.
- 2.2** A Service Level Agreement was developed in consultation with the organisation. The organisation was in receipt of annual funding, which provided for their general running costs in order that they could deliver furniture recycling services in the north of East Ayrshire.
- 2.3** The Scheme is subject to an annual evaluation by the Department of Educational and Social Services, Community Learning and Development Service.
- 2.4** Over this year, officers have been working with the organisation to consider project development and encourage them to investigate external funding opportunities with a view to sustainability.

3. PERFORMANCE

- 3.1** Over the course of this year, the Kilmarnock and Loudoun Furniture Redistribution Scheme changed its name to the Ayrshire Household Recycling Company and became a Company Limited by Guarantee. They now have a Board of Directors. At this time there are only 3 Board Members and they are being advised and supported to recruit new Board Members.
- 3.2** In addition to support from Community Learning and Development the Board are also being supported by Business in the Community who are undertaking work with them over the next 9 months. The focus of this is on planning, targeting and policies.

- 3.3** Ayrshire Household Recycling continues to be based in Kilmarnock and provides recycled furniture to families and individuals in need, in the Kilmarnock and Loudoun area and operates 5 days a week. In 2006/07, 324 families were assisted by the Scheme and 931 items uplifted. One of the aims of the organisation is to strengthen links with housing and social services in order to provide furniture packs for new tenants and those in need. A number of other charitable organisations have opened in the area and this has had an impact on trading.
- 3.4** Links are continuing to be developed with North and South Ayrshire. Last year 25% of their work was in the other Authorities.
- 3.5** In 2006/7 funding was secured from INCREASE (Investing In Community Recycling and Social Enterprises) which has paid for the continued employment of Project Coordinator, part time driver and assistant up to 31 March 2007. An underspend from this funding source from previous years will enable the organisation to continue with these posts until 31 March 2008.
- 3.6** In 2006/07, they generated £21,000 in income which is a condition of their INCREASE funding and for their future sustainability.
- 3.7** An underspend in Transforming Waste funding in 2006/07 has allowed them to employ a Development Worker for the next six months to assist with the direction of the Company and to identify other sources of funding sources. Close links are being made with East Ayrshire Council's External Funding and Sustainability Officer.
- 3.8** Raising the profile of the new company with the local community and local services needs to be a priority. Work is continuing with their website.
- 3.9** Ayrshire Household Recycling continues to go through considerable change. They need to clarify their wider recycling agenda and identify how this will be developed and funded as well as identify the relationships they are trying to develop with other East Ayrshire Council Services.

4. ISSUES

- 4.1** The organisation needs to consider and clarify their future direction which includes the wider recycling agenda. In doing so, the locus of support may have to be re-located within the Council away from Educational and Social Services.
- 4.2** As an increasing amount of recycling is located outwith East Ayrshire and the organisation will need to satisfy the Council about how its funding is being spent.
- 4.3** Audited accounts are not yet available from the organisation for the last financial year.

4.4 Given all of the above issues it is proposed that a new Service Level Agreement is not pursued at this stage.

5. FINANCIAL IMPLICATIONS

5.1 In 2006/2007, Kilmarnock and Loudoun Furniture Redistribution Scheme was awarded £13,360.

5.2 The funding recommended for 2007/08 which includes an inflationary uplift is £ 13,761. However, this should be subject to receipt of satisfactory audited accounts. In addition, the organisation needs to be clear about how it will specifically use East Ayrshire Council grant funding.

5.3 It is recommended that funding is released on a quarterly basis subject to satisfactory audited accounts.

6. PERSONNEL IMPLICATIONS

6.1 Nil.

7. RISK MANAGEMENT IMPLICATIONS

7.1 The recommendations in this report have been made based on the annual review of the organisation and Following the Public Pound.

8. COMMUNITY PLANNING IMPLICATIONS

8.1 The aims and objectives of the organisations are compatible with East Ayrshire's Community Plan.

9. LEGAL IMPLICATIONS

9.1 Nil

10. RECOMMENDATIONS

10.1 Members of the Council are asked to:

- (i) agree grant funding of £13,761 subject to satisfactory audited accounts;
- (ii) agree to defer a further Service Level Agreement until such time as the issues set out in Section 4 have been satisfactorily resolved;
- (iii) otherwise note the contents of the report.

Graham Short
Executive Director of Educational and Social Services

22 May 2007
KG/DG/JP

LIST OF BACKGROUND PAPERS

1. Kilmarnock and Loudoun Furniture Redistribution Scheme Service Level Agreement Annual Evaluation Report

Members wishing further information should contact Kay Gilmour, Head of Service: Community Support, Tel: (01563) 576104 or Dot Grieve, Principal Officer Community Learning and Development on 01563 578127.

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