

The Highland Council
Community Services Committee

5 February 2014

Agenda Item	16
Report No	COM 13/15

Social Enterprise Funding

Report by Director of Community Services

Summary

This report invites Members to approve the funding arrangements to the Council's social enterprise partners for the year 2015/16 and 2016/17.

1. Background

- 1.1 The Council's Social Enterprise partners have benefited from a long term funding relationship with the Highland Council, which has enabled more jobs and volunteering opportunities to be made for a wide range of people, with varying issues which preclude them from normal working life.
- 1.2 Highland Council is seen as a leading Authority in Scotland in terms of their relationship and interaction with the sector.
- 1.3 Members will recall the previous report to TEC committee in February 2014 regarding the continued funding for the Social Enterprise Groups dealing with recycling and re-use of household goods. Funding was maintained at around £0.5m per annum to divert 2,700 tonnes of material from landfill.

2. Proposals

- 2.1 Extensive discussions have taken place between the Waste team and the social enterprise groups over the past year. As such the groups are aware of the proposed changes.
- 2.2 It is proposed that from April 2015 we will concentrate support on the re-use of household items such as furniture and bric-a-brac, where the skills and experience of the organisations lie.
- 2.3 Groups will also (as has been stated previously to Committee) be encouraged to look into dealing with more difficult items such as duvets, carpets/rugs and mattresses where currently there is limited end uses by upcycling them into other items.
- 2.4 We will use this year to examine further options (for both the addition of new materials and review of existing materials) for the above for possible implementation in 2016-17.

2.5 The social impact of Blythswood in the Highlands is currently being assessed using Social Return on Investment (SROI) techniques. This model could be used in future across all groups to enable the benchmarking of the wider benefits to the community rather than simply focussing on waste diverted from landfill.

3. Funding

3.1 With the non-funding of Textiles and Scrap Metal the groups' income based on a reduced rate per tonne (£177 compared to £190) and tonnage based on estimates from the groups is estimated to be as follows:

Group	Projected income from Highland Council 2015-16	Total income 2013 (OSCR)	Council contribution
Blythswood Care	£230,100	£8M	3%
New Start Highland	£101,775	£1.9M	5%
HomeAid (Caithness & Sutherland)	£56,640	£0.3M	19%
Acharacle Community Company	£4,425	£36k	12%
Total	£392,940	£10.2M	4%

3.2 This provides the required budget reduction of £100k in 2015/16, as agreed at Council in December 2014. The funding settlement will be agreed for each organisation through further discussion. A more detailed breakdown of projected tonnages and costs is shown in **Appendix 1**.

3.3 Each group will be paid solely for tonnes diverted and only up to the maximum figure shown in Appendix 1.

3.4 However any underspends may be transferred through discussion with the Social Enterprise Groups to maximise diversion.

3.5 Overall funding for 2016/17 will not exceed £350k. However we wish to review each group's activities and payment mechanisms to ensure that funds are used for the maximum benefit of the Highland community.

4. Implications

4.1 Resource

The reduction in funding is a saving to the council, but affects each group differently depending on the mix of materials handled. Each group employs staff in varying numbers and a reduction in funding may result in job losses.

4.2 Climate Change/Carbon Clever

A reduction in funding may reduce the ability of groups to divert waste from landfill and thus recycling will reduce.

4.3 A reduction in funding to some groups may impact on their ability to take on

volunteers and other socially disadvantaged people.

4.4 There are no legal, risk, Gaelic or rural implications.

Recommendations

Members are invited to approve the review of Social Enterprise activities and funding mechanisms during 2015/16.

Designation: Waste Management Officer

Date: January 2015

Author: Andy Hume

Appendix 1

	2014-15 Projected		2015-16 Projected		2016-17 Projected	
	Tonnage	HC Payment	Tonnage (Excluding Textiles and Scrap)	HC Payment @£177	Tonnage (Excluding Textiles and Scrap)	HC Payment @ £157
Blythswood Care	1745	£290,000	1300	£230,100	1300	£204,100
New Start Highland	620	£117,610	575	£101,775	575	£90,275
HomeAid	345	£65,550	320	£56,640	320	£50,240
Acharacle Community Company	25	£4,750	25	£4,425	25	£3,925
Total	2735	£477,910	2220	£392,940	2220	£348,540