

A Community Charity Shop for Tiree – Feasibility Study

The purpose of this report is to inform the Trust about key issues, in particular to indicate the potential for a charity shop to be considered in any plans for developing retail units on Tiree and to consider its role in the overall recycling policy for the island. **I do not at present recommend taking this project forward** mainly because existing activities on Tiree provide a useful source of funds for island charities and the considerable effort and risk of establishing a new retail operation is unlikely to make a financial contribution to the island that would justify making claims on the already stretched volunteer base on Tiree. The following report expands on these points and is intended as a repository of facts and ideas should premises become available or there was new interest in an integrated recycling project on Tiree. From informal contacts during the course of this study it is evident that many people would like to see a charity shop on Tiree if only to empty their lofts and store rooms of items they no longer want.

This report is based on telephone interviews with managers of the charity shops on Mull (Annex A) and Coll and a follow-up visit to Coll in May 2016 (Annex B). In addition, discussions were held with the Tiree Environmental Action and Recycling (TEAR) community group (Annex C) and desk research on guidance available online.¹ The Tiree Community Development Trust (the Trust) has provided grant aid from the Windfall Fund for a feasibility study leading to the development of draft business plan for the Tiree shop. The funding was to allow for fact-finding visits to Mull and Coll. None of that funding has been drawn on and the original grant will be refunded to the Trust.

Key issues identified in this study are that:

On both Coll and Mull the retail activities are closely integrated with the overall recycling policy on those islands;

¹ See Charity Retail Association, Starting a charity shop, <http://www.charityretail.org.uk/startin-a-charity-shop/> accessed 18 December 2015.

TEAR which has an overall remit for recycling on Tiree has now limited its activities to emptying the clothing bins and sending them to Gott Bay for transmission to Nathans Wastesavers. This activity yields about £800 per year for distribution to island charities; Further outlets include SWISH clothing exchange and regular table-top sales which also raise useful funds for island charities;

On Coll there is no surplus from trading to distribute to island charities, further the practice of sorting clothing placed in the bins before sending on to Nathans lowers the value of clothing sent off the island and may cause Nathans to refuse to take further shipments;

There are not at present suitable premises on Tiree that have the required footfall or could be afforded for a rental of say £1,500 p.a. (based on 3 x the rent payed by Recycoll);

If the interest in the vacated Scottish Hydro shop at Gott Bay is anything to go by and community shop would be in competition with other business start-up projects (this was an issue on Coll where some people would have preferred the site to be used for affordable housing).

The case for a charity shop on Tiree is that:

The Tiree community would have the opportunity to purchase items of clothing, bric-a-brac, books, DVDs and a limited range of household goods.

Reuse of items that would otherwise go to landfill will contribute to reducing Tiree's carbon footprint.

One part-time post, say 0.5 FTE, would be created.

Trading surplus (if that could be achieved) would be a valuable addition to funds available for community activities.

The following **factors are critical for success**:-

The shop is located in an area with good footfall and nearby parking. In practical terms that means either Crossapol or Scarinish.

The property has a good sized backroom for storage and stock preparation as well as a nice public area.

The shop has clear objectives and is properly established as a registered charity. It would be illegal to trade as a 'charity shop' without registration.

The shop manager has retail experience.

Enough volunteers can be found to sort and sell goods.

The shop complies with legislation that governs health and safety, employment and charity law, and trading standards about what can and cannot be sold.

The following potential **risks** would have to be managed:-

There will be conflict between the charity shop and other recycling bodies on Tiree.

Nathans proposal to accept only wearable clothing for recycling will affect both TEAR and the charity shop.

The shop is overwhelmed, at least initially, by a surplus of donations. This happened on Coll and already I am being approached by people who have attics filled with decades of accumulated material that they would like to donate.

Planning and other consents are slow to arrive (as for RecyColl) and this will delay the opening of the shop.

Moira Welstead

30 July 2016

Annex A: Island Castaways on Mull

Mull has three Island Castaway charity shops at Bunessan, Craignure and Tobermory at first these shops were only open for the summer season, but Craignure and Bunessan are now open in the winter. The first shop was opened in 2003.

Key points from interview with Hazel Cowe, shop manager (contact hcowe@mict.co.uk tel. 01680 812908) are:-

Attractive shop premises are critical for success.

Island castaways have a shed and some garages for storage and sorting.

The shop is now self-funded including the payment of her own salary.

Initial set up included asking Tesco and other shops for hangers.

A steamer is essential for freshening clothes.

Books account for 15% of the turnover, originally all books were priced at £0.50, but now she sorts them passing any that are yellow or dirty to the Lifeboat Fund and pricing those that remain at £1. During the summer visitors buy books and return them after they have been read meaning that the same book may be sold several times in a season.

Accreditation by Zero Waste Scotland has unlocked access to Government funding for tills, the website, logo design and signage, and PAT testing courses for two people.

For accounting purposes the shops are an integral part of Mull and Iona Environmentally Sensitive Solutions (MESS) that includes other recycling projects apart from the shops. The aim of the shops is to reuse clothing, furniture and bric-a-brac. All profits from running these activities is made available to the Mull and Iona Community Trust (MICT) to help fund some 54 community and voluntary groups. MESS accounts are consolidated with those of MICT.

Income from MESS activities in 2013 was £96,463 (source MICT annual report and accounts for year-ending March 2014). It seems that the shops generate most of this income. There were 1 full-time and 1 part-time employees and an undisclosed number of volunteers associate with MESS.

Other relevant information from the MICT annual report includes:

Some 45.5 tonnes of waste has been diverted from landfill in the accounting year.

Furniture sales have been upgraded with the purchase of new poly-tunnel to store furniture in. An honesty system is operated where people select what they want from the store and pay for it in the shop.

In order to secure Gift Aid on the value of donations to the shop, new till systems and associated software are to be installed to manage the Gift Aid reclaim from HMRC.

Funding is to be sought to replace the box van that is used to collect textile and furniture donations.

Annex B: Recycoll Community Shop



Recycoll has a single shop opened in 2014. The Coll Recycling Group (Recycoll) was established as a voluntary group in 2006. The aim of this group is to 'engage with local residents, statutory, voluntary and business organisations and visitors to promote recycling, re-use and waste minimisation.

Key points from the interview with Juliet Conway, manager of the Charity Shop.

(julietconway@hotmail.com) are:-

Juliet is employed for 12 (now 7) hours per week to manage the shop. She is assisted by four volunteers.

Juliet is taking a course in Portable Appliance Testing (PAT) so that she can test electrical equipment for sale.

The premises in the disused hall are not really suitable and are cold and unwelcoming.

The initial equipment to fit the shop came from a business in Oban that was closing down after an advertisement in the Oban Times.

Juliet is now hoping to get a better till that is essential for reclaiming tax under Gift Aid.

Input from Trading Standards is critical, in particular to identify what cannot be sold, e.g. mattresses and bicycle helmets.

Furniture and bric-a-brac are best sellers. They will only take bed linen if new.

There was a six month delay in getting planning permission for the shop.

Nathans has indicated that in future they will only take wearable clothes for recycling.

The shop was part of a larger project that received funding from the Scottish Government Climate Challenge Fund (CCF) that ran from Jan 2014 to March 2015. The final report on this project (available on <http://www.recycoll.org.uk/> accessed 9 November 2015) is a very useful and clear document. As it is closer to the initiation stage of the shop than those on Mull it provides a very useful source for our own project. The highlights from this report are:

The shop has brought in £2,000 in its first six months of operation (but see discussion of costs below).

There were difficulties in getting skills and contractors to the island to carry our work

One barrier to the shop's success was 'the cautious "island" factor to buying second hand.

To mitigate this [they] made it a policy never to gossip or tell anyone where donated goods came from or went'.

The available premises for the shop in the Old Village Hall had a lot of maintenance work that imposed delays.

Further delays were caused by waiting for planning consent. The community planning application was bundled with RecyColl's commitment to develop two business units for rent. Planning consent was granted in August 2014.

To get off the ground while waiting for consent they ran table top sales in which visitors were given the option of making donations for goods.

'Recycoll as an organisation were less prepared for the project in terms of expectations of the group to take on the project and not delegating responsibility to the sub-group for decisions that affected the organisation in the future'.

It would have been a good idea to have a 'getting to know the project' to establish home ground – aims and objectives'.

Practical issues about setting up the shop (see pages 11-12 in the Recycoll report) included:

It was a massive task setting up the shop and time had been underestimated.

People soon began to bring in a huge variety of items and they soon had to learn where to pass on for recycling items that they could not sell (note: they have sent 675 kg of material to Nathan's Wastesavers who pay 40 p/kg raising £270 in the first year. Over two tonnes of weighed goods, mostly textiles, have come through the doors since opening.

For computer equipment they have a volunteer who carries out an initial check to see if it is saleable. For electrical equipment they have decided to invest in training and equipment for a PAT and function testing that is required before electrical items can be sold.

There are 4 regular volunteers at the shop.

Selling from the shop has delivered a saving of 17.63 tonnes of CO₂e in the lifetime of the (CCF) project.

On average, 63 people come into the shop each month.

Further discussions with Julian Senior (Treasurer for Recycoll) established that the shop is an integral part of the community recycling operation. A registered charity was set up to gain access to funds from Climate Challenge Scotland with the following objectives to:

Reduce material going to landfill;

Recycle and reuse material;

Provide employment (currently 7 hours per week);

Provide a community service.

The effort to obtain charitable status and planning for change of use was substantial and that delayed opening the shop. The shop is housed in a former community hall which was built at the time of the coronation in 1953. It is showing its age but provides retail, storage and sorting space of about 200 sq. m. It is worth noting that some people on Coll would have preferred this site to be used to build affordable housing.

Recycoll has a ten year lease on the building, but this comes with an obligation under the change of use agreement with A&B Council to carry out repairs and build a car park (estimate £8,000). The income from the shop is £200-300 a month in the winter and £300-600 in the summer.

Climate Change Scotland covered capital costs for start-up and the wages of the paid worker for a year. Recycoll runs two accounts one for the hall and one for other facilities. Julian aims to keep cash in the hall account (about £4,000 – 5,000) to cover three years in hand for rent (£500),

insurance (£400), electricity (£100) and capital expenditure in compliance with the rental and change of use.

The aim is to break even while delivering the recycling objectives of Recycoll and there is at present no surplus to distribute to other community groups. If net contribution increases the surplus will be used to increase the hours of the paid member of staff. She is assisted by four volunteers who each take a turn in running the shop.

Bric-a-brac is the best seller in the shop, but staff and volunteers are rather overwhelmed by textiles.

Clothing and textiles are brought into the shop or deposited in the bin provided by Nathans

Wastesavers. Volunteers empty the bins and retain anything that could be sold in the shop.

Nathans have notified Recycoll that in future they will only take items that can be worn and for that reason the volunteers have to extract rags for landfill before sending material on to Nathans.

There is a problem finding enough volunteers on an island with a population of 200.

Annex C: Discussion with Tیره Environmental Action for Recycling (TEAR)

I met three representatives from TEAR to explore TEAR's experience of servicing the recycling skips at Crossapol and at the school. Two volunteers periodically clear these skips into sacks which are then taken to the Gott Bay Recycling Centre for onward transport to the textile recycling form Nathans. In due course Nathans pay TEAR for this material which has averaged about £800 a year since 2011. TEAR then disburses these funds based on applications from the school and community groups.

TEAR expect to continue with the clearing the bins even if a charity shop is opened, although it is accepted that the shop will be in competition for the more saleable textiles arising. TEAR has no ambitions to expand its remit to include the charity shop, but is supportive of the project in general terms.