## WTC 808 : Climate & Biodiversity Quarterly Report – Library of Things

## Council Meeting 22nd July 2024

- The locker location has been approved by Asda Ware Store Manager and Regional Director. Approval is now awaited from the Property Team before we can officially go ahead.
- Space identified on 1st floor of Asda behind the tills. Electric and Wifi will need extending from the tills to the locker point (cost estimated within budget figures).
- To reduce costs within budget, we will use our own branding and do marketing in-house. This will need to be approved by Asda although they were relatively open during initial discussions. Further conversations will be required about external signage and Asda promotions.
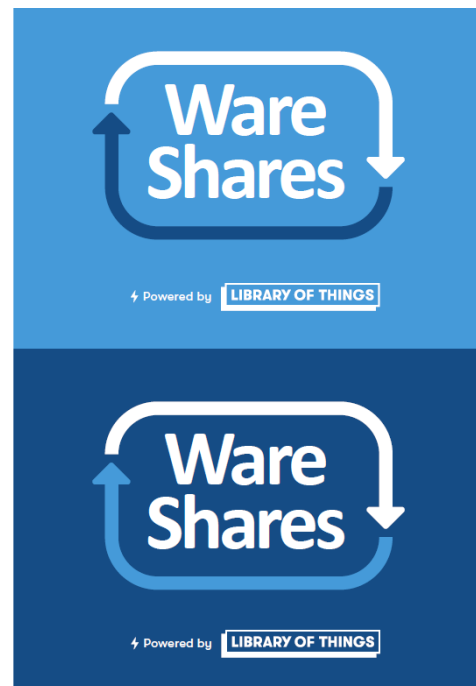


- The most popular tools have been identified from Ware public engagement events and LOT records & these have been costed within budget at approx. £5,000.
- Operational details have been reviewed thoroughly with LOT and a reduced fee negotiated for their full support package to include public queries, late returns, and cleaning/maintenance charges. Final fee reduction to be confirmed shortly.
- Stripe payment system included in the budget together with email reminders for borrowers, all managed by LOT.
- A software demo has been provided for review.
- A Risk Assessment has been started although this will be completed once we are on board with Asda. It is envisaged that bags/carry cases will be needed for a number of

tools to ensure public safety through Asda at additional cost. £10m public liability is in place. HP to review LOT terms of use to ensure we are covered for the same risks.

- Investigations into a maintenance technician and backup support have been started and initial ideas about in-house support discussed with TP.
- The design for the maintenance technician's workshop in the toilet block has been passed to the project manager. This is due for completion mid February 2025 therefore if Asda are keen to start earlier, the current workshop at the Lido may need to be used short term. Workshop tools and equipment will be required at additional cost.
- Once Asda approval has been secured, HP to obtain construction details, photos and access video from Asda to facilitate locker design and co-ordinate between designers and Asda.
- Fabricators require 1 day to install lockers and they are not keen to do overnight installs therefore HP to discuss logistics with Asda in due course. Lockers are delivered flat pack to store, built in sections within a separating staging area and then taken to position to install. HP to act as co-ordinator between fabricators and Asda. This may result in additional costs if install needs to be done out of hours.
- Launch event and comms to be designed nearer the time.

A cost analysis has been carried out based on a 28 locker scheme, together with low, mid and high level borrowing activity examples. It is recommended that costs at any level within the total budget figure are approved in order to enable project progression.

**Year 1 Setup Costs v Budget £30,000**

| Item | Nett Cost | Notes |
|------|-----------|-------|
| LOT onboarding/setup | £7500 | Set fee |
| 28 lockers | £13000 | Additional install costs possible if out of hours |
| Asda services | £3500 | Estimated for electric & Wifi to lockers |
| Tools x 28 plus spares | £5000 | Estimated based on popular tool list |
| Inhouse marketing | £500 | Banners, printing etc |
| Technician training | £500 | Estimated travel/accommodation for 3 days |
| **Total** | **£29500** | **Within Year 1 budget** |
| **Costs are just about within budget however it is recommended that additional funds are approved in advance to cover potential additional Asda services and locker install costs.** | | |

**Yearly Operational Costs v Budget £10,000 per year**

Costs are guided by LOT records for existing schemes

| Item | Nett Cost at 1 borrow/wk (52 /yr) | Nett Cost at 27 borrows/wk (1404 /yr) | Nett Cost at 40 borrows/wk (2080 /yr) | Basis |
|---|---|---|---|---|
| Payment processing | £26 | £701 | £1038 | 4% of sales |
| Inhouse marketing | £500 | £500 | £500 | Allowance |
| Maintenance Technician | £216 ** | £5827 | £8632 | £4.15/borrow ** Minimum hours may be needed depending on arrangement |
| Replacement tools | £78 | £2106 | £3120 | £1.50/borrow |
| Consumables | £78 | £2106 | £3120 | £1.50/borrow |
| Locker Rental | £1797 | £1797 | £1797 | 28 lockers @ £5.35/month |
| LOT support | £97 | £2628 | £3894 | 15% of sales Await confirmation of reduced fee % |
| Lock Software | £300 | £300 | £300 | £25/month |
| Borrower ID checks | £39 | £1053 | £1560 | 75% first time borrowers |
| Text reminders | £9 | £239 | £354 | 17p/borrow |
| Quarterly Impact Report | £100 | £100 | £100 | Year 1 free |
| | | | | |
| **Total Cost** | **£3240** | **£17356** | **£24415** | |
| **Sales** | **£649** | **£17522** | **£25958** | **Average £12.48/borrow** |
| **Operating Profit/Loss** | **- £2591 **** | **£165** | **£1544** | **** Within £10000 budget** |

**Whilst Nett costs demonstrate a potential profit with a good borrowing rate, the worst case scenario of 1 borrow per week will have a cost impact. This is however within the yearly budget. VAT will be applicable to most of these costs.**

**It is clear however that additional funds will need to be approved in advance to allow for proportionate operational costs if the scheme is launched within the Year 1 period as this budget is already accounted for in the setup costs.**