

**EXECUTIVE
COMMITTEE**

13th December 2016

BUDGET SCRUTINY WORKING GROUP - PROPOSALS

Chair of Scrutiny Group	Councillor Jane Potter
Relevant Head of Service	Jayne Pickering, Executive Director of Finance and Corporate Resources and Judith Willis, Head of Community Services
Ward(s) Affected	No specific ward relevance.
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 Budget scrutiny has formed a key part of the work of the Committee in recent years but Members felt that this process could be improved. The Budget Scrutiny Working Group was therefore established by the Overview and Scrutiny Committee at the start of the 2016/17 municipal year to scrutinise the Council's budget in more detail.
- 1.2 The Budget Scrutiny Working Group will review a range of matters which may vary between meetings. Where recommendations are made at a meeting about a particular subject these will be recorded in a report and presented for Members' consideration at the earliest opportunity.
- 1.3 This report details distinct proposals made at a recent meeting of the Budget Scrutiny Working Group concerning Shopmobility services and management of the Council's property assets respectively.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that

- 1) **the Head of Community Services considers and works through the various options for the future delivery of the Shopmobility service and reports back to Members in due course;**
- 2) **the Council should consider ways to manage the Town Hall and other property assets in a more cost effective manner;**
- 1) **the report be noted.**

3. KEY ISSUES

Background

Shopmobility

- 3.1 The Redditch Shopmobility service was one of the first such schemes to be launched in the country. The service has over 15,000 customer visits each year and

is the fourth largest scheme in the country, out of approximately 250 Shopmobility services across the UK.

- 3.2 The Shopmobility service is available from 9.00am to 5.00pm Monday to Saturday. An average of 1,271 visits are undertaken each month using the service and there is greater demand for the service mid-week. Previously the service was made available for use on a Sunday but there was limited demand.
- 3.3 The majority of customers use the Shopmobility service to access shopping facilities and appointments in the town centre, particularly within the Kingfisher Shopping Centre. However, the service is also used by customers to access services elsewhere in the Town Centre, such as for GP appointments.
- 3.4 The Shopmobility scheme is a discretionary service that currently operates at a cost to the Council. The Budget Scrutiny Working Group has considered information about the current operation of the service and believes that efficiencies could be achieved which would reduce these costs whilst ensuring the continuation of the service. Members feel that further investigation of different options available to achieve efficiencies would be useful and should be undertaken by the relevant lead Head of Service. The group has been advised that the following options are available:

Option 1: To grow the service by exploring options to generate further income. This could involve introducing charges for the service, sponsorship, sales of equipment related to using mobility scooters and enhancing marketing opportunities.

Option 2: Sustaining the service through investigating supervision arrangements, working more closely with the Dial a Ride Service, sharing services, reviewing opening times and streamlining booking systems.

Option 3: Transferring the service to an external third sector organisation to operate. The group has been informed that under 50 per cent of Shopmobility schemes in the UK are managed by a local authority with the remainder run primarily by a Voluntary and Community Sector (VCS) organisation. Only a small proportion of schemes are operated within the private sector.

Option 4: The Council could cease to provide or fund the service.

- 3.5 The Budget Scrutiny Working Group is keen for Options 1, 2 and 3 to be investigated further by Officers. However, Members of the group are in agreement that they do not want officers to investigate Option 4 as they believe that the service is invaluable and should continue to operate in Redditch in some form. In line with standard procedures the group would expect Officers to report the outcomes of these investigations to the Executive Committee at a later date.

Asset and Property Management

- 3.6 Redditch Borough Council has a range of property assets including the Town Hall, Crossgates Depot and offices in Batchley, Woodrow and Winyates. These buildings are maintained on behalf of the Council by the Place Partnership under a contractual arrangement.
- 3.7 The Place Partnership is a private company owned by the public sector. Under the terms of the agreement between the Council and partnership the authority pays for various facilities and asset management services including repair and maintenance and administrative costs. These are regarded as enabling costs by the Council.
- 3.8 The Budget Scrutiny Working Group recently considered budgetary information for the period 2014/15 to 2016/17, outlining expenditure to date alongside income. Members concurred that the actual expenditure for Asset and Property Management costs for the Town Hall were relatively high and required further investigation. The group therefore requested a breakdown of these costs (attached at Appendix 1).
- 3.9 This breakdown, provided for 2016/17 only, revealed that costs for maintaining the Town Hall in particular are relatively high. The group was surprised about these figures, particularly as the Town Hall is a relatively modern building built in the 1980s. Members therefore suggested that additional action could be taken to reduce these costs and potentially generate income. A number of ideas were identified by Members which they suggested might help the Council to manage these assets in a more cost effective manner:
- The potential for Redditch Borough Council to share depot facilities with Bromsgrove District Council, building on existing shared services arrangements.
 - The option to hire more space in the Town Hall out for the use of other organisations.
 - The possibility of making greater use of hot desking arrangements at the Town Hall.
- 3.10 Members of the Working Group recognise that there may be further options available which they have not identified in their discussions. For this reason, and due to the potentially positive impact on the Council's financial position, the group is proposing that Officers should investigate further all options that would enable the authority to manage these assets in a more cost effective manner. Members would expect the outcomes of this investigation to be reported for the consideration of the Executive Committee in line with standard practice.
- 3.11 This investigation may take some time to complete. In the meantime the group agrees that existing maintenance and administrative costs should be subject to further scrutiny. For this reason the group proposed that a representative of the Place Partnership should be invited to attend a future meeting of the Overview and Scrutiny Committee to discuss these costs with Members. This proposal was

endorsed by the Overview and Scrutiny Committee at a meeting on 25th October 2016.

Financial Implications

Shopmobility

- 3.12 The Budget Scrutiny Working Group has been advised that 80 per cent of Shopmobility schemes in the country receive some form of financial support from their local authority. The level of funding required ranges from £4,000 to £100,000.
- 3.13 In Redditch in 2014/15 the Shopmobility service operated at a cost of £119,700 per annum to the Council. This included £40,000 in enabling costs, which are support costs for areas such as ICT. Officers have estimated, based on available data, that the cost of each visit using the Shopmobility service is £7.41 (including enabling costs) or £5.24 (excluding enabling costs).
- 3.14 The Council currently receives £30,000 from the Kingfisher Shopping Centre towards the costs of operating the Shopmobility service. This contribution is covered in a contractual arrangement which is renegotiated every three years. The shopping centre also provides accommodation for the service in the centre which benefits from a peppercorn rent and coverage of utility costs.
- 3.15 Further income for the Shopmobility service is currently received through fund raising and donations. The amount raised in this manner varies though is approximately £11,000 per annum.
- 3.16 Currently the Redditch Shopmobility service is provided to customers free of charge. This arrangement applies to both Redditch residents and customers visiting from outside the Borough.
- 3.17 The Budget Scrutiny Working Group has been advised that 60 per cent of all Shopmobility schemes in the UK charge their customers for use of their service. Charging arrangements vary and can include charging annual membership fees and daily fees for each visit. Some schemes charge non-residents a higher fee to use their schemes than local residents.
- 3.18 Customers of the Redditch Shopmobility Service have previously been consulted about the possibility of introducing a fee for the service. This had found that many customers were not averse to paying a small fee, though the charging arrangements were not specified as part of this process. Officers are currently undertaking a customer survey with users and this includes a question on the level they would be willing to be charged for the service. The results of the survey will be known at the end of October.

- 3.19 There is also the possibility that customers would be willing to purchase associated equipment when visiting the Shopmobility service. This could help to enhance service income.

Asset and Property Management

- 3.20 In 2014/15 the Council spent £1.202 million on Asset and Property Management and in 2015/16 £1.155 million. In both of these years underspends were achieved when compared to allocated budgets; comprising a £52,000 saving in 2014/15 and a £154,000 saving in 2015/16. It is worth noting that a significant refund on business rates in 2015/16 resulted in this additional saving.
- 3.21 Despite achieving these savings in both years the budget allocated to Asset and Property Maintenance has increased; from £1.254 million in 2014/15 to £1.310 million in 2015/16. The current budget for 2016/17 is £1.354 million.
- 3.22 During the same period income generated from Asset and Property Management has increased from £282,000 in 2014/15 to £348,000 in 2015/16. The Council is anticipating that income of £334,000 will be generated from Asset and Property Management in 2016/17.

Legal Implications

Shopmobility

- 3.23 Further investigation would be required into the legal implications of selling additional equipment through the Shopmobility service if this option is of interest to the Council.

Asset and Property Management

- 3.24 The Council has a contract with the Place Partnership for maintenance of its property assets. The terms of this contract will need to be taken into account as part of any investigation work where relevant.

Service / Operational Implications

Shopmobility

- 3.25 There is currently a vacant post within the Shopmobility service for the role of a Supervisor. Supervision arrangements could therefore be taken into account as part of a review of the service.
- 3.26 The Shopmobility service already benefits from the support of a number of volunteers. They provide help with a range of matters, including by acting as assistant shoppers, and their role would need to be taken into account as part of any review.

Asset and Property Management

- 3.27 There are no specific service or operational implications in respect of asset and property management.

Customer / Equalities and Diversity Implications

Shopmobility

- 3.28 The Shopmobility service helps to address three of the Council's strategic purposes; help me live my life independently, help me run a successful business and provide me with good things to do, see and visit. These strategic purposes were all identified following consultation with residents about what mattered to the local community.
- 3.29 The service is primarily used by customers with restricted mobility to access shops and appointments in the town. Many of the service's customers are elderly and / or have physical disabilities and may rely on the service in order to continue to maintain personal independence. The group has been advised that 8 per cent of the population in Redditch have a long-term health problem that could limit their day to day activities and they may benefit from having access to the service.
- 3.30 Data collected by the service found that in 2012 approximately 40 per cent of Shopmobility customers were non-residents. In 2014 further data was collected which suggested that the proportion of customers who were non-residents had increased to approximately 49 per cent of users.
- 3.31 However, all customers using the Shopmobility service make a valuable contribution to the local economy. The Budget Scrutiny Working Group has been advised that it is estimated that if every customer spent £10 per visit using one of the service's mobility scooters this would contribute £160,000 to the local economy.

Asset and Property Management

- 3.32 There are no specific customer or equality and diversity implications in respect of asset and property management.

4. RISK MANAGEMENT

No specific risks have been identified.

5. APPENDICES

Appendix 1 – Asset and Property Management – Breakdown of Costs

AUTHOR OF REPORT

REDDITCH BOROUGH COUNCIL

**EXECUTIVE
COMMITTEE**

13th December 2016

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