

REPORT TITLE: Future Delivery of Shopmobility

Relevant Portfolio Holder	Councillor Greg Chance
Relevant Head of Service	Judith Willis, Head of Community Services
Ward(s) Affected	All
Key Decision / Non-Key Decision	Non-key decision

1. SUMMARY OF PROPOSALS

- 1.1 To implement a charging structure for users of the Shopmobility service and to consider the options for the delivery of the service to ensure a sustainable service for the future.

2. RECOMMENDATIONS

- 2.1 **Charges for the Shopmobility Service as set out at 3.14 be approved and implemented from 1 April 2017; and**
- 2.2 **Officers explore opportunities for additional financial contributions to the delivery of the service with the Kingfisher Shopping Centre and Town Centre Partnership;**
- 2.3 **Subject to approval of 2.1, a further report on the operation of the Shopmobility report be brought to the Committee within 12 months and to report on the options for its future delivery.**

3. KEY ISSUES

Background

- 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. The average visits per month are 1,270. For comparison touchwood is 458, Luton 875, Bullring 440 and Bromsgrove 250.
- 3.2 The Shopmobility service is available from 9.00am to 5.00pm Monday to Saturday. 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 service operates from car park 3 and provides motorised scooters, power chairs and manual wheelchairs alongside an 'assisted shopping' service. The

service is staffed by 1 full time supervisor, 5 part time staff, 1 casual employee and 2 volunteers.

3.5 The service helps to address three of the Council's strategic purposes: help me live my life independently; helps me run a successful business; and provide me with good things to do, see and visit.

3.6 The Scheme has been jointly funded by Redditch Borough Council and the Kingfisher Shopping Centre since 1989. This was originally 50:50 split of the direct running cost but this was capped at £40,000 for 2009/10, a reduction of £26,000 on previous arrangements. This was further reduced in 2010 to £30,000 per annum for which there is currently an Agreement in place until April 2018. The Kingfisher Shopping Centre provides the accommodation at a peppercorn rent and covers the cost of utilities.

3.7 The Shopmobility scheme is a discretionary service that currently operates at an annual cost to the Council, excluding support services costs, as follows:

Direct service costs	£110,000
Income (fund raising and donations)	- £11,000
Kingfisher Shopping Centre contribution	- £30,000
Actual cost to the Council	£69,000

3.8 Based on 15,000 visits per year, the unit cost to the Council for each visit is £4.60

3.9 As part of the work of the O&S Budget Working Group, they reviewed the Shopmobility service and presented a report to Executive Committee on 13 December 2016. The Committee resolved that 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.

3.10 The Budget Working Group was advised that the following options were available:

Option 1: To grow the service by exploring options to generate further income. This could involve introducing charges for the service, sponsorship, equipment sales and loans 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 were informed that fewer than 30 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.

Officers were asked not to investigate Option 4 as Members believed that the service is invaluable and should continue to operate in Redditch in some form.

Financial Implications

3.11 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. Research shows that 75 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.

3.12 Customers of the Redditch Shopmobility Service were surveyed from September to November 2016 (a copy of the survey results are attached as Appendix 1). The survey included questions about the possibility of introducing a fee for the service and provides the following data:

- If a service charge were to be introduced the majority of services users said they would be prepared to pay between £1 and £3 (80%) each visit. Further analysis shows 33.8% said £1 - £2 and 46.3% said £2 - £3.
- 74.4% of respondents preferred to 'pay as you go'
- 13.6% of respondents preferred an annual membership fee with reduced hire fee and 12% preferred a higher annual membership fee with no hire costs.
- Non-residents were more likely to say they would pay a higher charge than residents.

3.13 Research on charges by other Shopmobility shows:

Scheme	Annual fee	Daily charge	other	Visitors
Redditch	0	0		0
Solihull	£10.00	£1.00		£3-5.00 per day
Bull Ring	£12.00		£2-3 based on type	N/A
Bognor Regis	£5.00	£3.00		£3.00
Luton	£10.00		£1 per hour	£2.00 per hour
Merry Hill	£12.00		£6 per session	N/A
Bromsgrove	0	0		0

3.14 Officers propose that the following charges are considered for the Shopmobility service, this includes a lower charge for Redditch residents in recognition of the Council's financial contribution to the service:

- An annual registration fee of £10 to cover administrative costs, specialised insurance and officer time training customers on equipment
- A hire charge for registered users of £2 for Redditch residents
- A hire charge for registered users of £3 for Non-Redditch residents
- A £5 charge for customers who do not wish to register as a member or if they only need to use the service once or for a short period

Whilst the survey results were in favour of a pay as you go scheme and higher user fee, Officers recommend the membership fee as the service already requires a registration process due to the value of the equipment. The fee would recoup these costs and would enable the lower charge per visit to be introduced.

- 3.15 Based on current usage of 15,000 visits and 75% of the current registered users the above charges would generate the following income:

		Customer count	Est. visits	Est. revenue
Annual Membership				
Fee:	£10.00	1650	N/A	£16,500
Membership per-visit charge Resident:	£2.00	N/A	10,000	£20,000
Membership per visit charge Non-residents	£3.00	N/A	5,000	£15,000
Pay as you Go charge	£5.00	N/A	100	£500
			Total:	£52,000

Based on the experience of when the Kingfisher Shopping Centres started to charge users for car parking, Officers anticipate that there will be an initial drop in visitors numbers that may take around 12 -18 months to recover to current numbers. It is also highly likely that the donations will reduce, however, the team will continue with fund raising activities throughout the year.

- 3.16 There is a cash collection procedure, Securicor collects cash fortnightly. However, a review and more robust process would be put in place should charging be agreed by increasing the visits of Securicor and installing a larger safe. The cost implications would be an additional £260 per annum.
- 3.17 There is also the possibility that customers would be willing to purchase associated equipment when visiting the Shopmobility service such as mobility aids and to hire wheelchairs. This could further help to enhance service income. Whilst there are legal restrictions which would not make this a viable proposal (see 3.18 below), Officers could explore this further with the Kingfisher Shopping Centre and the Town Centre Partnership

Legal Implications

- 3.18 As a Discretionary Service, charges may be made to cover the cost of the service but as it is currently running at a loss there are no legal implications for the Council in the introduction of these charges.
- 3.19 Included in Option 1 of the Budget Working Group report was suggestion that the sale of disability adaptations to users of the Shopmobility Service. The Council is prohibited from directly competing in the market in direct competition with local businesses. The only way that sales could be made would be through a trading company. This would not be a viable option for this service as the costs, governance and staffing arrangements involved in establishing such a company would far outweigh the likely income from sales particularly where the service is subsidised by the Council.

Service / Operational Implications

- 3.20 From the recent survey a total of 69.9% travel in by car and tend to use the equipment for 2 – 3 hours. Based on 9,569 visits by car per year and with a stay of 1-2 hours this provides the Kingfisher Shopping Centre with an income of £14,353 from Shopmobility users.
- 3.21 The recent survey also provides an indication of how much Shopmobility customers are spending in the town. It shows that 56% spend over £30 on each visit and this rises to 70% of the non-resident customers. If on average all customers spent £15 per visit at 15,000 visits per year this equates to £225,000 spend within the Town Centre. This highlights the value of the service to not only the Kingfisher Shopping Centre and the retailers, but our strategic purpose 'Help me Run a Successful Business'.
- 3.22 With the combined spend from customer car parking and shopping being in the region of a £250,000, Officers propose that the Kingfisher Shopping Centre and Town Centre Partnership be approached to explore what additional financial contributions can be made towards the service.
- 3.23 In respect of Option 1 set out in section 3.10, if the Council was to introduce charges for the service and generate the predicted income of £52,000 the direct cost to the Council would reduce from £69,000 to £17,000. However the current level of donations/fundraising of £11,000 pa is expected to reduce by 75% giving a more realistic direct cost of £25,250. It should be noted that in the short term the usage figures may reduce and this would affect the potential income.
- 3.24 In respect of Option 2 set out in section 3.10, the team have undertaken transformation work within the service. Consequently a revised staffing structure has been developed to meet the peaks and troughs in service demand and new streamlined booking system is in place. This has achieved financial savings of £9,585.

- 3.25 In respect of Option 3 set out in 3.10, research shows 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 £100,000 to £4,000, with the average being £30,000. Nationally there is recognition that Shopmobility itself is economically unviable and requires funding support. Officers therefore recommend that the option to transfer the service to a third sector organisation be reviewed over the next 12 months with the portfolio holder once the impact of charging can be assessed.

Customer / Equalities and Diversity Implications

- 3.26 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. National statistics show 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.
- 3.27 Due to the potential vulnerable nature of the users the proposed changes may cause some distress. Therefore Officers will ensure that there is clear communication with users and their family/carers and staff support provided during the introduction.
- 3.28 Data collected by the service found that in 2012 approximately 40 per cent of Shopmobility customers were non-residents. Data from the current registrations shows that approximately 30% of users are non residents.
- 3.29 Section 3.15 of the report recommends that there is a 'pay as you go' fee so that we do not discriminate against people who only need to use the service once or for a short period.

4. RISK MANAGEMENT

- 4.1 The amount of potential income to be generated from introducing a charging schedule is based on current customer numbers. If the introduction of charges has a significant affect on these numbers the income predicted may not be realised.

5. APPENDICES

Appendix 1 – Shopmobility survey

6. BACKGROUND PAPERS

Report to Executive Committee on 13 December 2016 titled Budget Scrutiny Working Group Proposals.

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