



Budget Scrutiny

Working Group Notes

Monday, 26 November 2018

Present:

Councillor Jennifer Wheeler (Chair), and Councillors Joanne Beecham, Michael Chalk, John Fisher and Yvonne Smith

Officers:

Kevin Dicks, Paul Spooner and Judith Willis

Committee Services Officer:

Jess Bayley

5. FEES AND CHARGES - INTERVIEW WITH THE HEAD OF COMMUNITY SERVICES

Members addressed a number of questions to the Head of community Services in respect of the fees and charges for Shopmobility, Dial A Ride and homes for elderly and vulnerable people. Answers were provided in turn to each question as follows.

Shopmobility

1) How well has Shopmobility been working since charges were introduced?

The Executive Committee had agreed to introduce charges for the service in February 2017. This had introduced a £10 registration fee, a £2 hire fee for registered customers who lived in Redditch and a £3 hire fee for registered customers who lived outside the Borough. There was also a £5 fee for customers who chose not to register.

The service was primarily funded by Redditch Borough Council prior to the introduction of fees. The Council had also received £30,000 towards the cost of running the service from the Kingfisher Shopping Centre. Since the introduction of the fee the Council had received £30,000 in fees. The service cost £70,000 per annum to run.

Nationally the majority, or 80 per cent of Shopmobility schemes, relied on Council funding. The amount of funding contributed by local authorities varied from £4,000 to £100,000. Therefore, the costs to Redditch Borough Council of supporting the Shopmobility scheme were not unusual.

The Council had attempted to increase income from the service by selling peripheral products to customers. However, there was a need to be careful with this as the Council did not want to be regarded as being in direct competition with businesses in the Kingfisher Shopping Centre.

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To date the shopping centre had been supportive of the Council. Research conducted in 2017 had revealed that the majority of customers spent £30 when they visited the Kingfisher Shopping Centre. The Council had shared this information with the shopping centre as Officers were keen to demonstrate the value of the scheme to the centre.

2) Have there been any negative impacts linked to the change to charging?

There had been a decrease in terms of the number of customers of the scheme. A decline in numbers had been expected, though the level of that fall had not been anticipated. A chart highlighted this decline was circulated for Members' consideration. Some of this decline had coincided with the closure of the former Marks and Spencer's unit in the Kingfisher Shopping Centre. Customers had reported that they had reduced their number of visits in recent months as there was less to visit. Prior to the introduction of fees and charges for the service some customers had reported that they would use Shopmobility four or five times a week. Traditionally Redditch had been viewed as one of the top five providers of a Shopmobility service at the national level. However, recent figures indicated that this was no longer the case.

Members questioned whether an increasing number of people purchasing private equipment might have impacted on demand for Shopmobility. However, Officers explained that generally, unless a customer lived close to the centre of town, they did not tend to use personal the equipment due to the logistics of getting into town.

3) In your opinion have the fees been set at the right level?

Members questioned whether the service was financially sustainable and how it linked to the Council's strategic purposes. Officers explained that the Council was receiving more from fees and charges than it had ever received in donations prior to the introduction of charges.

However, the Council was not proposing an increase in the fees and charges for the service in 2019/20. As the number of customers was falling it was not considered to be an appropriate time to increase the charges.

Members questioned whether a special offer could be made to frequent users of the service. If this was well advertised, it could help to encourage new customers to use the service. The group agreed that this should form the basis of a recommendation.

Fees affecting homes for vulnerable and elderly people

4) What processes were followed to set the fees and decide how much to charge?

The Head of Community Services circulated a written response to these questions. Members were advised that residents were charged slightly more for residing in Queen's Cottages compared to St David's House as the properties were bigger. It was noted that The fee for residents living in another private Extra Care Home in Redditch

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was £145, however this provider did offer additional services on site such as hairdressers.

A refurbishment of St David's House was taking place. The new manager of the service had found that the property was looking tired and needed some updating.

- 5) In your opinion, are the charges fair and reasonable for customers, including those whom may have a low income?

The Council had to be careful about how it set the fees for the service. For instance in respect of charging for water, in another part of the country a Council had set up a company which had managed water services but had charges tenants in excessive of the actual costs. . This Council had eventually been taken to court for making a profit out of their tenants.

The Council was in the process of reviewing the fees for the laundry. Whilst some tenants paid for this service others did their own laundry, though were using the Council's electricity. It was not known whether the fee for this service achieved full cost recovery and that would be reviewed in 2019/20.

The luncheon club costs were also being reviewed. The majority of similar service providers across the country managed their luncheon clubs at a full cost recovery level. In Redditch this operated at a loss and so the fees and charges were being reviewed. The fees for visitors aged over 60 differed from those for those aged under 60 and it was uncertain whether these fees had been set at the right level. The luncheon club costs and fees would therefore be reviewed in 2019/20.

Dial a Ride Service

- 6) Can you comment please on whether the charges as set currently achieve full cost recovery?

Members were advised that Dial a Ride services relied on a mixture of public funding and fees. Many community transport schemes were run by charitable organisations. The Council continued to provide the Dial a Ride service in Redditch and it was felt that further efficiencies could be achieved.

The Head of Community Services circulated a document that provided further information in relation to the Dial a Ride scheme. Members were advised that the Council was part of a consortium of all community transport schemes in Worcestershire.

The group was informed that for many Dial a Ride customers the travel was ancillary. Often customers lived on their own and a journey on a Dial a Ride bus might provide the only social interaction that they would get that day.

The service operated between the hours of 8.30am and 5.00pm. There were opportunities available to expand income from the service by offering Dial a Ride

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services for social activities involving groups of customers (e.g. a group of residents from St David's House).

Frequently the service was not used to its full potential because only a handful of customers were using a bus. This was particularly likely to occur when a customer needed to get to a hospital or a Doctor's appointment. The Council was in discussions with Voluntary and Community Sector Groups over the potential for a volunteer community car scheme to serve the needs of customers in these circumstances. This would free up the Dial a Ride service to concentrate on journeys involving more customers which represented greater value for money.

The majority of customers paid for visits to locations within the Borough. However, during the festive season some customers could be interested in travelling to locations such as Webbs of Wychbold. Members questioned the potential for the Council to work more closely with Bromsgrove's community transport service, BURT, to provide services between Redditch and Bromsgrove. However, Members were advised that there was only one community bus for BURT so there were more limited options in that district.

Members were advised that the majority of customers made bookings over the phone, generally in the mornings. Currently the Council operated a phone service from 9.00am to 4.30pm. However, in other parts of the country the phone service was only available in the morning and a similar approach could help the Council to achieve savings.

Members questioned whether the service could be opened up to customers who did not have mobility problems. In particular, reference was made to elderly relatives of Councillors who were mobile but not confident about driving or using public transport and could become tired fairly quickly. The group was advised that demand often outstripped supply for use of the Council's five Dial a Ride buses and the criteria currently restricted customers to those with mobility problems and their carers.

- 7) If the answer is that the charges do not achieve full cost recovery, can you explain to members:
- a) Why it was decided to go with lower charges?
 - b) What the implications would be for trying to achieve full cost recovery.

The answer to this question had been addressed above.

RECOMMENDED that

- 1) **the Council should investigate the potential to introduce special discount fees for frequent use of the Shopmobility service; and**
- 2) **the criteria for customers using Dial A Ride services should be reviewed to enable elderly people, who need a bit of extra support but who may not yet have mobility problems, to use the service.**

Appendix 1

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ACTION: Officers to clarify the fee for luncheon club for those aged under 60.

The Meeting commenced at 7.05 pm
and closed at 9.18 pm