



Strategic Planning & Environment Overview and Scrutiny Committee

Report for:	Strategic Planning and Environment Overview and Scrutiny Committee
Title of report:	Shopmobility Contract Service Review 2024
Date:	8 January 2025
Report on behalf of:	Councillor Adrian England, Leader of the Council and Portfolio Holder for Place
Part:	I
If Part II, reason:	N/A
Appendices:	<ol style="list-style-type: none"> Opening Hours, Hire Fees and Comparison Table Service User Case Studies
Background papers:	<ul style="list-style-type: none"> Equality Impact Assessment (EAI) November 2024 Commercial Board Report - 5 November 2024 – Shopmobility Review Commercial Board report – March 2024 – Contract Extension Offer CAD Annual Report 2023-2024 – Shopmobility Service Budget Information on the Service
Glossary of acronyms and any other abbreviations used in this report:	<p>DBC - Dacorum Borough Council</p> <p>PH - Portfolio Holder</p> <p>SLT - Strategic Leadership Team</p> <p>SPAE - Strategic Planning and Environment Committee</p> <p>CAD – Community Action Dacorum</p>

Report Author / Responsible Officer

Christopher Fennell – Head of Communities and Leisure

Chris.fennell@dacorum.gov.uk /Diane Southam – Assistant Director Place, Communities and Enterprise

Corporate Priorities	<p>Community engagement</p> <p>Service improvement and delivery</p> <p>Vibrant communities</p> <p>Sustainable future</p> <p>Clean, safe and green</p> <p>Proud and thriving borough</p>
Wards affected	All wards
Purpose of the report:	1. The purpose of this report is to present the findings of the Shopmobility Service Review and

	to seek feedback and support for the recommended grant approach for the renewal of the Shopmobility Service as detailed in Section 4.3.
Recommendation (s) to the decision maker (s):	1. That Members note the report and provide any comments to Cabinet
Period for post policy/project review:	N/A

1. Background

1.1. The core objectives of the Shopmobility Service are to:

- Enable those residents and visitors with long- and short-term mobility issues to maintain/regain their independence
- Give everyone equal access to town centre services and activities
- Reduce social isolation and improve the health and wellbeing of residents
- Promote accessibility for all

1.2. The Hemel Hempstead Shopmobility scheme has been operating from Level A of the Blue Car Park in the Marlowes Shopping Centre since 1992. Originally managed and operated by Dacorum Borough Council, Community Action Dacorum (CAD) has been delivering the service with a grant from DBC since May 2006. From December 2017 onwards CAD has been delivering the service as a contractor following the move from grant funding to a competitive tendering process.

1.3. The Voluntary Sector Commissioning process was reviewed in 2023, with a subsequent move to a direct grant award process agreed by Cabinet in December 2023. The decision was taken to exclude the Shopmobility Service from that process in order to be able to undertake a review of the potential market for alternative operators and to undertake a review of the service provision

1.4. In March 2024 the Council agreed to a 1-year extension of the contract to allow the authority to undertake a review and benchmarking exercise of the shopmobility service. The current contract arrangements with CAD will expire on 31 March 2025.

2. Methodology of the Review

2.1 As part of the service review officers have undertaken a detailed desktop research exercise regarding other areas offering a shopmobility service e.g. Watford, St Albans, Central Bedfordshire (Dunstable, Houghton Regis and Leighton Buzzard) and Harrow. Those organisations identified in the study were by their nature small scale charities specifically set up to deliver the shopmobility service to residents.

2.2 The research has identified that there is no national operator or franchise model for the delivery of a shopmobility service and therefore no central repository for the collection of data and information.

2.3 Whilst undertaking the research some of the organisations contacted were unwilling to share the financial and operations information requested, only Watford BC provided the level of grant offered to deliver the service. Our research also identified that not all areas offer a shopmobility service e.g. Three Rivers District, Hertsmere and Central Bedfordshire. This research information is details in Appendix 1 below.

2.4 The Hemel Shopmobility Service benefits from being part of the wider CAD organisation and structures. CAD, as a bigger charity, is able to offer additional levels of resources e.g. financial, management and governance to the management and delivery of the service.

2.5 Should the Council wish to continue supporting a Shopmobility service, based on the research it is recommended that the Council continues with the arrangement with CAD, and moves to a direct grant award under a Service Level Agreement. This brings it in line with the previously agreed approach for the four main Voluntary Sector Services grants.

3. Background Information on the Service

3.1 The total cost of the service is circa £64,400 pa (as detailed in Appendix 1 – Background Information). Sales and other income are £6,700, CAD contributes £15,700 towards the service costs and the Council pays £42,000 pa or 65% of the total costs to operate the service. The review process discovered Watford BC will pay an annual grant of circa £35k in 2024-2025 to Shopmobility Watford and St Albans DC no longer provides any funding outside of the occasional small revenue grant. Post covid 19 recovery - The decrease in demand for the service (Table 1 – Shopmobility Usage) had a financial impact and CAD experienced a decline in revenue, at a time when some of their costs increased due to those associated with the need to implement additional safety measures. CAD undertook a review of how the service was being used and the demand on different days and agreed to change their service delivery model moving from opening on 6 days per week to 4 days per week with the service being delivered the service has remained at 4 days per week with one member of staff reducing their working hours. CAD's aim is to gradually expand to normal operations as their numbers increase so that they can transition back to full capacity.

3.2 User data from CAD usage statistics are detailed below in Table No1. The operational year for the service runs December to November. At present an average 49 uses of the service on a weekly basis (2,518 users in 2023/24 /51 weeks). The usage in 2019 – 2020 was similar to the levels of usage report by Watford Shopmobility, at its height the Hemel scheme 146 people were using the service on a weekly basis.

3.3 Usage data from the Watford scheme stated that 7,665 people used the service in 2022–2023 = 150 uses per week (7,665 uses /51 weeks). The high levels of usage at the Watford scheme could be attributed to the fact there are no shopmobility services offered in the neighbouring areas and that people/users are drawn to the large shopping mall in Watford as a destination.

Table 1 - Shopmobility Usage							
Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025 (YTD)
Total	7,421	7,469	2,368	1,149	2,182	2,518	1,672
Variance +/-	N/A	+48	-5,101	-919	+1,033	+336	TBC'd

Based on the 22/23 usage information, the £42,000 grant equates to £16.68 per use.

3.4 Hours of operation are Monday, Wednesday, Thursday & Friday - 10.00 - 16.00. In comparison to other providers, CAD are offering less hours of delivery than Watford and High Wycombe and St Albans. In the 2023 annual report CAD stated that the service has been impacted by the Covid 19 pandemic and the recent cost of living crisis, they hope to expand the hours of service once number increase and there is a demand for the service. Appendix 1 – details the hours of operation of other shopmobility services in the region.

3.5 Staffing and volunteers - Hemel Shopmobility operates with a combination of part time paid staff and volunteers. Salaries account for £38,000 pa which is 59% of the total expenditure costs to operate the service. It should be noted that the job titles denote the role and that they are relatively low paid roles. The staff team comprises:

- Manager (24 hrs per week)
- Assistant Manager (16 hrs per week)
- Shopmobility Assistant (8 hrs per week)
- Six unpaid volunteers – this number was as high as 14 prior to the Covid 19 pandemic

3.6 All the scooters and equipment are owned and maintained by CAD. The Hemel Shopmobility provides a range of vehicles for use by its members/users, these comprise:

- 32 Scooters of various sizes and capacity
- 2 Electric wheelchairs
- 20 Manual wheelchairs

4. Proposal and Options

4.1 Closure of the service

- Let the current contract expire on 31 March 2025 and not renew the contract. Without the funding from the Council CAD do not have the required income levels or budget to maintain the service.
- The service would close on 31 March 2025 and the three staff would either be made redundant or redeployed where possible into other CAD roles.
- There is likely to be a reputational impact if this service is closed

4.2 Retender the shopmobility service

- The review has identified that there is not a national organisation such as Everyone Active for the leisure sector, or a franchise structure regarding the shopmobility sector.
- The research has highlighted that the service will require a level of grant or subsidy in order to deliver the service in the future. Income from hires does not cover the staffing and operational costs.
- Any new operator would need to contribute resources and their own funds to manage the service based upon the analysis of the current CAD budget for 2024-2025.
- A further barrier to any new operator would need to buy the existing kit and equipment (wheelchairs and scooters) from CAD or purchase new units to deliver the service.
- There is a risk that there will be no tenders submitted through this exercise or that the costs will increase above budget availability. Research has indicated there is unlikely to be any other bids through this process and there is a risk that CAD doesn't submit a bid or submits a bid at increased level of cost.
- There were no other tenders submitted the last time the service was procured.

4.3 Implement a new Service Level Agreement (SLA) with CAD in line with the approach taken with the new Voluntary Sector Framework as detailed in the Cabinet Report of December 2023.

- It is proposed that the new SLA would be coterminous with the current Voluntary Sector Commissioning Framework timeline and extension period, which funds CAD to deliver a variety of services on behalf of the Council.
- The SLA will be for 2 years commencing 1 April 2025 and subject to the same VCS extension and review period.
- The SLA will include KPIs and review processes, again in the line the approved VCS approach.
- The SLA would need to include a break clause (with sufficient notice period) to allow the Council future flexibility as it manages future budget challenges
- It is recommended that a decision is based on a first-year grant at the current funding levels (plus inflation as set out in 5.1), but that officers work with CAD to reduce running costs and therefore funding required by the council, such as -
 - Review the fees and charges for the service to reduce the operating overheads costs e.g. introducing an annual membership fee to use the service £5 or £10 pa. There is a risk that this will impact usage levels and so this will need to be considered.
 - Review the operating costs to determine if any savings can be made including staffing levels
 - Review the marketing and communications programme to promote the service e.g. review current hours of operations and signage in the town.

- Seek additional funds via external funding or sponsorship.
- Work with local businesses and the BID (Business Improvement District) to promote the scheme.
- This would be with the aim of reducing the grant requirement in the second year and moving towards a self-sustaining financial model.

5. Financial and value for money implications:

- 5.1 The recommendation approach can be funded from existing budgets. It is proposed that 24/25 and 25/26 inflation allowance is included in the first years grant from April 2025.
- 5.2 It should be noted that there have been no inflationary increases paid for this service since the move to the procurement approach. Under the proposed approach, it is recommended that grants will be increased annually in line with the Council's budgeted inflation increases.
- 5.3 In the event that any reduction of running costs is achieved, it is recommended that the Service Level Agreement reflects that those savings are distributed between the Council and CAD proportionate to the contributions made.

6. Legal Implications

- 6.1 A new service level agreement/grant agreement with the appropriate service measures and indicators would need to be drafted and agreed.
- 6.2 Legal comments will be sought as these are developed.

7. Risk implications:

- 7.1 The review has identified that there is not a national organisation such as Everyone Active in the leisure sector, or a franchise structure regarding the shopmobility sector.
- 7.2 There is a risk that there will be no tenders submitted through this exercise or that the costs will increase above budget availability.
- 7.3 The introduction of a membership fee and increased daily usage fee could have a negative impact on usage and present a further financial barrier to those residents on low incomes that use the service.
- 7.4 An Equality Impact Assessment (EAI) has been undertaken on the service review and recommendation and no negative issues have been identified.

8. Equalities, Community Impact and Human Rights:

- 8.1 Equalities Impact Assessment reviewed. There are no negative/positive impacts arising from the EIA dated November 2024.
- 8.2 Human Rights – there are no Human Rights Implications arising from this report

9. Sustainability implications (including climate change, health and wellbeing, community safety)

- **Climate Change** - the service supports the Council's drive to reduce its carbon footprint as all of the equipment used as part of the service is electric.
- **Health and Wellbeing** - the service provides opportunities for residents and users to remain active and live an independent life.

- **Community Safety** - the service provider (CAD) will have regular contact with residents and users and will be able to report any incidents or concern to the appropriate authority.

10. Next Steps:

10.1 Subject to Cabinet approval on 28th January 2025, a new SLA will be developed and a direct grant awarded to CAD.