

Cabinet – 1 March 2006

Shopmobility scheme implementation

Portfolio: Councillor Zahid Ali, Communities and Partnerships
Councillor Adrian Andrew, Regeneration

Service Area: Physical Regeneration

Wards: St Matthew's

Forward Plan: No

Summary of report

In the 2005/6 Corporate Plan, the Council pledged that “we will establish a shopmobility scheme for Walsall town centre”. In delivering this pledge, consultants were appointed to evaluate various options for locating the scheme, to consider management options, and to estimate build costs and annual running costs. The conclusions of this commission were reported to Members in October 2005, with the key recommendation that the shopmobility scheme should be established in Saddlers Centre car park.

A lease with the Saddlers Centre has been completed and construction is underway. Completion of works is programmed for mid to late March 2006.

The report outlines the proposed business model based on the current budget and the options being considered to secure additional funding for the day-to-day operation of the centre. At this stage it is proposed that the centre would initially open on a 4 day a week basis, and build up from that should a demand be found to exist. The report also puts forward a recommended approach on the charging policy for the centre.

Recommendations

Cabinet is recommended to

- (1) Note the progress on establishing the Shopmobility scheme and approve the arrangements for opening initially on a four day a week basis, but agreeing to increased hours if there is a proven demand.
- (2) To delegate the imposition of a charging regime for shopmobility to the Executive Director for Regeneration in conjunction with relevant portfolio holders and the Shopmobility Partnership Board, with the intention that this approach leads to shopmobility being self funded within three years.

Resource and legal considerations

The project is making good progress; the allocated budget of £50,000 from the Council and £50,000 from the Neighbourhood Renewal Fund for the build and set-up costs will be fully spent, building works have commenced, and a Shopmobility Manager has been appointed who it is anticipated will commence work in early March.

The appendix sets out two operating options: the first, based on 2 employed staff, which would allow 4 day a week opening, from 9am to 5pm, costing an estimated £65,000; the second, with 2.6 full-time equivalent staff, allowing 6 day opening, has an estimated cost of £74,500. Should the 4 day a week opening option be pursued, the manager has been appointed on a full-time basis, and would use the fifth day to develop processes, procedures and the operation of the scheme. The second member of staff has still to be appointed, and could either initially work on a 4 day per week basis, or assist the manager on the fifth day in developing processes and procedures.

At the time of writing the Council's annual budget contribution of £50,000 is the only committed funding for 2006/7 (subject to the approval of the Council's Budget) available for operating the scheme. Officers are currently exploring the possibility of securing other sources of funding, for example NRF through the Local Area Agreement, and other external sources, including business sponsorship. However, until demand for the service can be identified, it would be prudent for the centre to only open initially on a four day per week basis. Even at this level of opening, a shortfall in funding of approximately £15,000 will exist.

In order to address this shortfall, the option of charging for membership and hire of equipment exists. Practice from elsewhere is varied, with some schemes operated free (but receiving voluntary donations), to schemes which charge both for membership and hire. Of the fifteen schemes investigated by the consultants, four were able to offer a completely free service, though these were supported heavily by the local authority and/or host shopping centre. It is difficult to estimate usage at this stage, and therefore potential income, but depending on the level of charge and assuming usage at a quarter of that achieved by the Wolverhampton scheme last year, income between £10,000 and £20,000 per year might be achieved. The appendix sets out charging options and some examples of practice elsewhere. However, to meet the currently projected shortfall, the third option (£10 membership fee and hire charges of £2 per trip) is recommended.

The aim is to provide a service to meet all demand, and this is likely to require the scheme to open on a six day per week basis, which on current projections will require an extra (albeit part-time) member of staff and a further £9,400 per annum to operate. This funding gap could be met from a range of sources, including increased income from membership and hire charges as the scheme becomes established, sponsorship and other external sources. Closing the funding gap will be a key element of the role of the Shopmobility Manager, and this is reflected in job description.

Within three years, the aim is to establish the scheme on a self-financing basis, drawing on external grant sources, income and business support. In order to maximise the potential for external funding, including, for example, charitable trusts, it may ultimately be necessary to move towards a position where the scheme is managed independently of the Council.

The Shopmobility Management Board has concluded that the service should simply be named "Shopmobility", though the Council's logo will be displayed on all literature. This name will be in accordance with the National Federation of Shopmobility and will be simplistic when reproduced on signage. This will also avoid any confusion with the mobile shopmobility service, operated by the independent charity Walsall Shop Mobility.

Citizen impact

A shopmobility scheme for Walsall town centre has been identified as a key priority for local people, and has been reflected as such as one of the Council's pledges for 2005/6. The establishment of the scheme will have a positive impact on citizens' quality of life, improving accessibility around the town centre. Suitable arrangements with Walsall Ring and Ride will ensure a good service to citizen's with mobility problems. A communication plan will be provided covering both the launch and the ongoing operation of the project.

Community safety

There are no specific community safety implications arising from this report.

Environmental impact

The establishment of a shopmobility scheme will support Walsall town centre as the most important retail centre for the Borough, aiding the regeneration of the town centre as the economic driver for the Borough.

Performance and risk management issues

Until the scheme is operating, it is difficult to anticipate levels of demand and the factors which will influence it. However, as the scheme develops, the manager will be able to establish and monitor performance targets associated with scheme usage and fee recovery, and this will be managed within the Council's performance framework. Using Wolverhampton as an example, which has a broadly similar demographic profile to Walsall, it may be appropriate to set targets equivalent to Wolverhampton's 11,000 annual trips and 4,500 members within a specified number of years. In the first year of operation however, it does not seem unreasonable to expect a quarter of Wolverhampton's trips and members, and it is these estimates that have been used to estimate potential income in 2006/7.

The establishment of the project has been subject to risk assessment and is being managed accordingly. The main current risks relate to the cost and timescale of construction, which is being managed through close liaison with the project management consultant, and the budget position as outline above.

Equality implications

The shopmobility scheme in Walsall town centre will be a service for the mobility restricted residents of, or visitors to, the Borough. Primarily the service will be for disabled and elderly people, and their carers if appropriate, enabling them to continue using the town centre's facilities.

Consultation

The Council's consultants held discussions with a range of organisations and individuals when forming their original conclusions. Subsequently, a Shopmobility Management Board has been formed, which includes representatives of the Council, the Independent Living Centre, Walsall Ring and Ride, the Disability Forum and the mobile Walsall Shop Mobility, to drive the development of the scheme. In reaching conclusions on the membership fee and charging regime, consultations have been held with the both the Board and the Disability Forum. The latter favoured only one charging format (either a membership fee or hire charge) and also recommended that consideration be given to lesser fees for those dependent on benefits.

Vision 2008

The shopmobility scheme will contribute towards the delivery of the Council's vision for the Borough, addressing the strategic priorities of making it easier for people to get around, to have pride in Walsall, to build the strength of the local economy, and to make Walsall a healthy and caring place.

Background papers

Report by the consultants, the BE Group, August 2005.
Report to Shopmobility Management Board regarding budget and fee proposals, January 2006.

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Date: 17.02.06

Signed: 

Portfolio Holder:
Councillor Adrian Andrew

Date: 16.02.06

Appendix: Income and Expenditure for 2006/7 and Fee Charging Options

Income and Expenditure 2006/7

The guaranteed income in 2006/7 is the £50,000 committed by the Council.

Expenditure in 2006/7 can be estimated as:

- Staffing costs including on costs and training (as per scenario 1 below): £47,976
- Building costs including rent, bills, service charge and insurance: £13,250
- Office costs including stationery, consumables and publicity: £2,750
- Equipment maintenance £1,000
- Total costs: £64,976

The above costs exclude the purchase of any office equipment or vehicles, and are only estimates. If new vehicles were to be purchased (a fleet of 8 motorised vehicles and 12 manual vehicles would cost approximately £11,000), they would probably be accompanied by a 12 month warranty, which would reduce the need for equipment maintenance in the first year. An agreement has been reached with the mobile shopmobility service (operated by independent charity Walsall Shop Mobility) for the donation of three vehicles towards the scheme's fleet. However, further funds are required to establish an operational sized fleet.

The above costs also exclude building maintenance costs, which should be minimal in the first year, and servicing/cleaning costs. A small proportion of the build and project management costs will be held back until 6 months after the completion of the building works (2.5% which equates to approximately £2,300), is also excluded from the above costs.

Scenario 2 staffing, enabling the service to open 6 days per week would add a further £9,012 in staff and on-costs, and a further £372 in staff training and development costs, giving total expenditure of £74,360.

How can the shortfall be met?

Experience from elsewhere, based on the work of the consultants and officer visits to local schemes, suggests that a variety of charging regimes are in operation. These regimes fall into three categories:

- membership fees, no hire costs
- no membership fee, hire costs
- both membership fees and hire costs

Comparable shopmobility schemes have the following charging regimes:

Scheme	Membership Fee	Hire Charge
Birmingham Bull Ring	Free	Free
Burton on Trent	Free	£1.50 per day
Bury	£7 per year	Free
Redditch	Free	Free
Rhyl	£10 per year	£2 per day members/£4 per day non-members
Sandwell	Free	Free
Stafford	£5 per year	£0.50 per hour members/£1 per hour non-members

St Helens	£10 life membership	£3 per day
St Helier	£30 per year	£2 per day members/£5 per day non-members
Stockport	£10 life membership plus £5 per year	£2 per day
Telford	Free	Free
Wigan	£10 per year	Free
Wolverhampton	Free	£0.50 per hour
Wrexham	Free	Free

NB: "Free" schemes are supported financially either by the local authority and/or the shopping centre.

For potential income from fees and membership, it would be prudent to draw upon the experience of Wolverhampton, which has a similar sized population and demographics to Walsall. The Wolverhampton scheme has approximately 4,500 members and had 11,000 users last year. If Walsall were to attract only a quarter of this number of members and users in 2006/7, this could lead to a reasonable income. Based on the three charging options above, potential income could equate to the following:

Option 1: 1,100 members paying £10 membership fees = £11,000
No hire charges

Option 2: No membership fees
Hire charges – 2,750 trips @ £2 per trip = £5,500

Option 3: 1,100 members paying £10 membership fees = £11,000
Hire charges – 2,750 trips @ £2 per trip = £5,500
Total income = £16,500

These charging regimes could be altered and any number of potential income levels projected. However, regardless of the final charging regime, it is certain that the scheme needs to introduce something of this nature to be economically viable.

Scenario 1 Staffing Option

The service that could be provided with only two members of staff may have to be limited to a short week, for example opening on Wednesday, Thursday, Friday and Saturdays only. This level of opening, for example from 9am to 5pm, would require 64 man-hours of resources. This does not take into account any leave or sickness needs. It would however ensure two members of staff in attendance at most, if not all times. The second member of staff would probably have to be a key-holder, and also have responsibility for counting and recording takings, securing the premises, etc in the manager's absence. As such the second member of staff would have to be rewarded accordingly (probably SCP 14-21), and could be classed as assistant manager.

Taking this scenario into account, staffing costs would be:

- Manager @ £23,175 (SCP 29) plus 21.4% on costs = £28,134 p.a.
- Assistant manager @ £14,787 (SCP 14) plus 21.4% on costs = £17, 951 p.a.
- Total cost = £46,085 p.a.

Scenario 2 Staffing Option

In order to operate 6 days per week, a third member of staff (part-time) would be required in support of the service. This level of opening, for example from 9am to 5pm, would require 96 man-hours of resources. This would ensure that the service was staffed generally with 2 members of staff every day, and could work with an additional 0.6 FTE post. The third member of staff would have less responsibility than the assistant manager, and would be rewarded accordingly (probably SCP 8-11).

Taking this scenario into account, staffing costs would be:

- Manager @ £23,175 (SCP 29) plus 21.4% on costs = £28,134 p.a.
- Assistant manager @ £14,787 (SCP 14) plus 21.4% on costs = £17,951 p.a.
- Assistant @ £12,372 (SCP 8) pro rota plus 21.4% on costs for three days per week = £9,012 p.a.
- Total cost = £55,097 p.a.