

For publication

Shopmobility Future Funding (GV510)

Meeting:	Cabinet
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Cabinet portfolio:	Governance
Directorate:	Corporate
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1.0 Purpose of the report

- 1.1 To consider the future funding arrangements for Chesterfield and District Shopmobility from 2022/23 onwards.

2.0 Recommendations

- 2.1 That the section 137 grant to Chesterfield and District Shopmobility is ceased from the financial year 2023/24.
- 2.2 That a section 137 grant of £9,531 is allocated to Chesterfield and District Shopmobility for the financial year 2022/23, subject to progressing the self-funding/ alternative funding plan and engaging with Links CVS and the Council in applying for alternative funding sources.
- 2.3 That a taper is applied to the section 137 grant for the financial year 2022/23. The grant funding will be:
- Quarter 1 (April 2022 – June 2022) 100% of the 2021/22 grant level for the quarter = £5,447
 - Quarter 2 (July 2022 – September 2022) 50% of the 2021/22 grant level for the quarter = £2,723
 - Quarter 3 (October 2022 – December 2022) 25% of the 2021/22 grant level for the quarter = £1,361
 - Quarter 4 (January 2023 – March 2023) 0% of the 2021/22 grant level for the quarter = £0

3.0 Reasons for recommendations

- 3.1 To respond to the challenging financial position of the Council and providing value for money services.
- 3.2 To facilitate a managed and steady withdrawal of funding, which will enable Shopmobility to continue to work with Links CVS and Chesterfield Borough Council officers to develop a self-funding / alternative funding plan and begin its implementation.

4.0 Report details

4.1 Chesterfield and District Shopmobility

Chesterfield and District Shopmobility (Shopmobility) was incorporated on 16 December 2009 and is registered as a private company limited by guarantee without share capital. Companies limited by guarantee are widely used for charities, community projects, clubs, societies and other similar bodies. Shopmobility are a registered charity. The Shopmobility Constitution was adopted in February 2005. Shopmobility have confirmed that this is the latest version and remains correct. The objective of the charity is to:

"relieve the needs of people who are elderly, poor, disabled or lack adequate and safe passenger services by providing shopmobility services and other allied services in Chesterfield, North East Derbyshire, Bolsover and surrounding areas with the aim of improving their mobility and conditions of life".

- 4.2 Shopmobility currently has five trustees and board meetings take place, on average six times per annum plus an Annual General Meeting.

4.3 Section 137 Grant funding

Shopmobility currently receives £21,789 per annum in the form of a Section 137 grant from Chesterfield Borough Council. Section 137 is a provision within the Local Government Act 1972 which enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. In order to use the power the council must be satisfied that there is a direct benefit to the area or part of the area, or some or all of the residents. The council must secondly ensure that the direct benefit accruing to its area or residents is

commensurate with the expenditure incurred. This means that a council should not spend a disproportionately large amount on something which has no or very little direct benefit.

- 4.4 Section 137 is often (but not exclusively) used for emergency funding provisions and several authorities including Chesterfield Borough Council have used this power during the Covid-19 pandemic on a temporary basis. It is unusual for the power to be used for ongoing support.
- 4.5 In 2018, officers met with Shopmobility and explained that Chesterfield Borough Council had over a number of years faced unprecedented levels of cuts in central government funding and most of our services have had to reduce their budgets significantly despite increasing demand. The need for Shopmobility to develop a self-funding / alternative funding strategy was discussed with Shopmobility as the funding settlement from Chesterfield Borough Council is unsustainable in the medium to longer term.
- 4.6 The service level agreement for 2019/20 between Chesterfield Borough Council and Shopmobility included the requirement to develop this strategy. At a consultation meeting with Shopmobility on 9th September 2021, Shopmobility confirmed that they do not have an updated forward looking business plan. The most recent plan is for April 2018 to March 2020. The business plan does not include plans to develop a self-funding / alternative funding strategy. Shopmobility confirmed that they had not progressed the service level agreement requirement to develop a self-funding/ alternative funding strategy but they had discussed looking into additional/ other funding sources and steps to increase funding available through the board. Chesterfield Borough Council offered to allocate an officer to work with Shopmobility and Links CVS to bring together ideas for self-funding and alternative funding sources – this was agreed to by Shopmobility and this work continues.
- 4.7 Shopmobility Financial Statements

Trustee reports and financial statements are available from the period 2016 to 2021. The table below identifies any grant funding, income from hiring activity etc, ongoings and a net income figure for each year. Between 2016 and 2021 Chesterfield BC grant funding has provided between 35% and 39% of the total income for Shopmobility. For the last three years income has exceeded outgoing's (including during the pandemic) and the balance carried forward for 2021/22 stood at £20,894.

4.8 Shopmobility is also a commercial tenant of Chesterfield Borough Council. Their premises are at the Beetwell Street multi-storey car park. The annual rent is currently £2,940, this is included within the outgoings.

Year	Grant Funding	Income from hire charges etc.	Total income	Outgoings	Net income for the year
2016	CBC £24,210 NHS £6,533	£34,911	£65,654	£63,016	£2,636
2017	CBC £21,789 NHS £3,267 DVA £500	£29,712	£55,268	£52,348	£2,920
2018	CBC £21,789	£37,673	£59,462	£56,475	£2,987
2019	CBC £21,789	£38,422	£60,211	£64,432	£4,221
2020	CBC £21,789	£40,874	£62,663	£62,160	£503
2021	CBC £21,789 Covid-19 assistance £10,000	£30,315	£62,102	£56,652	£5,450

4.9 Staff structure and volunteering

The March 2021 accounts show that £25,954 was spent on staff costs. Shopmobility has three part time, paid members of staff including a workshop mechanic, administrator and receptionist. Volunteering is a key part of Shopmobility's staffing structure with the two managerial roles – Manager for Staff and Manager for Volunteers being unpaid apart from expenses. Shopmobility have worked with Job Centre Plus for a number of years and the majority of volunteers have started at Shopmobility via work experience routes. There are a number of volunteering roles including reception and valeting with Shopmobility equating this to 5,460 volunteer hours per annum (including the two managers).

4.10 Service users

A snapshot taken at 04.10.21 showed that Shopmobility has 229 members accessing a variety of services including day and half day hire of scooters and wheelchairs. The majority of members are signed up for day and half

day hire. In 2018/19 there was an average of 215 daily/half day hires per month and by 2019/20 this had reduced to 183. During the main pandemic period in 2020/21 this reduced to 50 but had increased to 70 so far in 2021/22. Analysis of membership postcode data shows a broad spread of customers but almost 50% are from within Chesterfield, North East Derbyshire and Bolsover postcodes:

- 19% Chesterfield Borough
- 17% North East Derbyshire District
- 13% Bolsover District
- 7% Amber Valley Borough
- 6% High Peak Borough
- 4% Derby City
- 2% Derbyshire Dales District
- 10% South Yorkshire – Sheffield, Doncaster, Barnsley
- 8% Nottinghamshire – Mansfield, Newark, Worksop, Nottingham, Ashfield
- 14% elsewhere in the UK

4.11 Analysis of long-term hires from January – October 2021 shows that 53% of the long-term hire business takes place within Chesterfield Borough:

- 53% Chesterfield Borough
- 25% North East Derbyshire District
- 15% Bolsover District
- 5% Amber Valley Borough
- 2% Nottinghamshire

In 2018 long-term hires averaged at 12 per month, in 2019 14, 2020 15 and so far in 2021, this has grown to 24 per month.

4.12 Analysis of short-term hire from January – October 2021 shows that 45% of the short-term hire business takes place within Chesterfield Borough.

- 45% Chesterfield Borough
- 23% North East Derbyshire District
- 15% Bolsover District
- 3% Amber Valley Borough
- 3% Derbyshire Dales District
- 0.5% in High Peak Borough
- 0.5% in Erewash Borough
- 3% in South Yorkshire
- 1% in Nottinghamshire
- 6% elsewhere in the UK

In 2018 short-term hires averaged at 17 per month, in 2019 16, 2020 12 and in 2021 25.

4.13 Consultation

A 12 week consultation has taken place regarding the future funding options between September 2021 and December 2021. This included a series of meetings with Shopmobility management, stakeholder engagement and a Shopmobility user survey.

4.14 The Shopmobility user survey report is attached at Appendix 1. 48 Shopmobility service users responded to the survey which was available online and in paper format with a freepost envelope. The main findings include:

- 25 respondents used Shopmobility to hire scooters or wheelchairs for a day or half day. Almost half of these users hire scooters and wheelchairs less frequently than once a month
- Across all the categories of hire, Shopmobility users use scooters and wheelchairs for a variety of purposes with the top three uses being shopping in Chesterfield Town Centre (29 users), seeing friends and family (19 users) and to help them get to appointments such as doctors and dentists (17 users)
- A range of alternative provision is available, survey respondents identified barriers which prevent them from using alternatives. The top three reasons included only requiring hire for a short period (15 users), cost of hire of scooters or wheelchairs (13 users) and tied with 11 users each – cost of purchasing scooters or wheelchairs, unaware of alternatives and service not as good as Shopmobility
- Shopmobility have not increased their prices for several years and prices are generally lower than in other areas. The survey asked respondents what impact it would have if Shopmobility had to increase prices to reflect rising costs, so for example increasing daily scooter hire from £6 per day to £7.50 per day, or wheelchair weekly hire from £15 per week to £17 per week – 84% of respondents said they would continue to use the service
- Many of the respondents commented about the need for Shopmobility to strengthen their advertising to increase awareness of the services offered and increase customer numbers

4.15 Shopmobility provided Chesterfield Borough Council with details for a number of stakeholders they would like to be included in the consultation.

The Table below shows the stakeholder and the main points covered. The full consultation responses are included in the consultation report attached at Appendix 2. The table below summarises the responses:

Stakeholder	Summary of response
Shopmobility trustees	<p>Responses were received from all five trustees. This includes an overarching statement of the mission and activities of Shopmobility by the Chair.</p> <p>Other responses focused on the impact of Shopmobility re: independence and isolation, Chesterfield's economy and tourism, volunteering and the challenges around attracting funding.</p> <p>One trustee wanted to emphasise that Shopmobility is not a business – it is a service.</p>
Midlands Association for Amputees	As an organisation that supports amputees in and around the Chesterfield area we feel that Chesterfield Shopmobility services are invaluable resource. Also emphasised the value for money provided.
Shopmobility UK	<p>The response focused primary of the role of Shopmobility UK and national level policy and research.</p> <p>Note - Shopmobility UK were contacted to ask if they would like to add anything specific regarding Shopmobility Chesterfield and District – nothing further has been received.</p>
Chesterfield Royal Hospital	The long-established charity, Chesterfield Shopmobility, provides a vital service to our services users. They are officially recommended by Chesterfield Royal Hospital to patients who are less physically mobile to help them complete essential tasks, such as food shopping, and to enable people to get around Chesterfield - maintaining their independence. We fully support their proposal for funding as an essential service

	<p>which is of benefit to our patients and those less mobile in our community.</p> <p>Note – Chesterfield Royal Hospital confirmed that they do not currently fund Shopmobility for services recommended and they do not have formal partnership arrangements with the charity.</p>
Links CVS	<p>Links CVS gave an overview of the support they have provided to Shopmobility in the past and the assistance they are providing currently. Three user case studies were also provided. Links consider Shopmobility to be a vital service for local residents who have mobility problems.</p>
Chesterfield Access Group members	<p>One response was received from a member of the group - applaud the organisation for the services offered and the Council for the support provided. Would be unhappy to see the offer depleted unless there is clear evidence that it is a much under-used service.</p>
Derbyshire Voluntary Action	<p>No response received</p>
University of Derby	<p>No response received</p>

4.16 Alternative models across the UK

Shopmobility type services across the UK are funded in a variety of ways including:

- Private Sector providers – mobility shops based within town centre locations offering a variety of hire options and organisations like Medequip
- Destination shopping centres e.g. Trafford Centre, Meadowhall provide short-term hire facilities to enable accessible shopping
- Business Improvement District funded projects – funded via BID fees and income
- Charities – some funded 100% via fees, charges and donations, some funded by a mix of fees and charges, external funders, councils and NHS

5.0 **Alternative options**

5.1 Continue to fund at the current level

In 2018, officers met with Shopmobility and explained that Chesterfield Borough Council had over a number of years faced unprecedented levels of cuts in central government funding and most of our services have had to reduce their budgets significantly despite increasing demand. The need for Shopmobility to develop a self-funding / alternative funding strategy was discussed with Shopmobility as the funding settlement from Chesterfield Borough Council is unsustainable in the medium to longer term. The Shopmobility grant is funded via Section 137 as it does not fall under the role and remit of Chesterfield Borough Council – as our financial position has not improved and we are under increased pressure to look very carefully at our funding commitments in terms of priority and the delivery of core functions.

5.2 Cease funding with the contractual 3 months notice

The preference is to facilitate a managed and steady withdrawal of funding, this will enable Shopmobility to continue to work with Links CVS and our own officers to develop a self-funding / alternative funding plan and begin its implementation.

6.0 Implications for consideration – Financial and value for money

6.1 The financial saving to the Council will be £12,258 in 2022/23 and £21,789 from 2023/24 onwards.

7.0 Implications for consideration – Legal

7.1 The Shopmobility grant is administered under Section 137 of the Local Government 1972. Section 137 enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. Further information regarding Section 137 of the Local Government Act 1972 is available [here](#).

7.2 During this review Best Value Statutory guidance has been followed including the requirement for consultation and a three month minimum notice period for changes to funding to community and voluntary sector organisations. Further information is available [here](#).

8.0 Implications for consideration – Human resources

8.1 There are no Human Resource implications.

9.0 Implications for consideration – Council plan

9.1 The Council Plan includes the priority to provide value for money services and an aim of becoming and staying financially self-sufficient. In 2018 officers met with Shopmobility and explained that Chesterfield Borough Council had over a number of years faced unprecedented levels of cuts in central government funding and most of our services have had to reduce their budgets significantly despite increasing demand. The need for Shopmobility to develop a self-funding / alternative funding strategy was discussed with Shopmobility as the funding settlement from Chesterfield Borough Council is unsustainable in the medium to longer term. It is therefore important that we consider the issue of future funding, value for money and affordability.

10.0 Implications for consideration – Climate change

10.1 The Climate Change impact assessment looks solely at Climate Change rather than other environmental impacts, and social, economic, wellbeing measures which are considered under other considerations. We do not consider there to be any specific climate change impacts for this funding decision.

11.0 Implications for consideration – Equality and diversity

11.1 A Full Equality Impact Assessment is attached at Appendix 3. A reduction or ceasing of funding to Shopmobility is likely to have a negative impact on two groups with protected characteristics – older people and people with disabilities – in particular mobility. A managed and steady withdrawal of funding and the continued involvement of Links CVS and Chesterfield Borough Council officers to develop a self-funding / alternative funding strategy and implementation will help to reduce the impact on these groups and provide a more sustainable future for the service.

12.0 Implications for consideration – Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
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Closure of Shopmobility	M	H	<p>Managed and steady withdrawal of funding rather than the contractual 3 month notice period.</p> <p>Commitment of support from Links CVS and Chesterfield Borough Council officers to help to develop a self-funding/ alternative funding strategy.</p> <p>Links CVS have identified a range of external funding opportunities and are assisting Shopmobility with applications.</p>	M	M
Reputational damage to Chesterfield Borough Council	M	H	<p>Managed and steady withdrawal of funding rather than the contractual 3 month notice period.</p> <p>Commitment of support from Links CVS and Chesterfield Borough Council officers to help to develop a self-funding/ alternative funding strategy.</p> <p>Needs to be balanced against the challenging financial position and the need to maintain a focus on priorities and core services.</p>	M	M

Decision information

Key decision number	1072
Wards affected	All

Document information

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Appendices to the report
Appendix 1 – Service user consultation report
Appendix 2 – Stakeholder consultation responses
Appendix 3 - EIA