Appendix 2

Third Sector Services

Proposal for Gloucester Shopmobility

1. Introduction

Third Sector Services is a provider of mobility and volunteering services in Cheltenham, Gloucester and Tewkesbury. It has a history of thirty years provision of volunteering and community transport services, originally in Cheltenham and growing in more recent years to consolidate operations in Gloucester and Tewkesbury. The organisation provides certain services under grant agreement with local authorities – such as dial-a-ride - and other services under contract, such as local bus service routes. Third Sector Services also delivers the countywide volunteering contract for the local authority, adult learning projects and infrastructure support for the wider VCS community.

2. Shopmobility

Third Sector Services has been in dialogue with Gloucester City Council regarding the Shopmobility service for a number of years. There are commonalities of service – client groups for example – which mean that it’s common, particularly in the South West, for a single organisation to provide both community transport and Shopmobility services in an integrated manner.

Third Sector services is working in partnership with Cheltenham Borough Council to provide the Shopmobility service ; we currently share marketing materials, we provide volunteer ‘buddies’ for customers if required, CBC provide training for us, and we’re cross-referencing databases.

Third Sector Services is commencing a Shopmobility service in Tewkesbury in April 2012 as a result of local demand and without any subsidy. Charges for scooters will be £5.00 per day / £7.50 full day with longer periods of hire negotiable.

3. Proposal

The proposal is that Third Sector Services partner with Gloucester City Council in the delivery of the Shopmobility service. The scope of the partnership can be agreed, but initial principles are –

1. That a 3 year transition programme is agreed with annual reviews and consolidation of the existing services in year three.
2. That the new service is redesigned using the new Third Sector Services IT system as the catalyst to maximize integration opportunities, for example the booking systems and client databases, to improve the service to the customer. The model will provide a service that will collect a client from the home and interchange with a scooter for town centre shopping - offering a seamless service to the passenger.
3. That the the new service financially sustainable by the end of year 2. Charges would be introduced which would cover the running of the Shopmobility service, and costs would be reduced through service redesign.
4. That the management principles contained within Third Sector Services Strategic Plan 2011 – 14 are adhered to in order to minimise financial risks to the charity ( see Annex 1).
5. That opportunities resulting from Third Sector Services’ Shopmobility activities in other areas will be pursued in the interests of all.
4. Draft Action Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Actions</th>
<th>Cost</th>
<th>Benefit / income</th>
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</table>
| One  | Delivering the existing services:  
- Joint marketing  
- Trial integrated service booking / provision  
- Rationalise scooter fleet - negotiate joint maintenance & replacement contract for Gloucester, Cheltenham and Tewkesbury Shopmobility schemes  
Developing the model:  
- To identify opportunities for integration / automation and map the benefits (i.e reduced headcount).  
- To produce a ‘blueprint’ for the new service design including system and business processes and roles.  
- To test new delivery model, incl. charging structure.  
|  |  |  |  |
|      | Based on data supplied the cost of the current service is £85K gross primarily for staff and scooter maintenance  
|  |  |  |  |
|      | Professional fees - £10K  
|  |  |  |  |
| Two  | Transition:  
- To migrate staff to new roles.  
- Commence new delivery model.  
- Introduce new charges.  
- Rebrand services.  
- Monitoring and reporting.  
- Customer surveys.  
|  |  |  |  |
|      | By automating and integrating processes the resource requirement will reduce 1. (Staff costs - £40K gross).  
|  |  |  |  |
|      | Staff saving - £45K  
|  |  |  |  |
|      | Charges for hire of equipment £57500²  
|  |  |  |  |
|      | Annual membership of TSS³@ £10 = £43500  
| Three | Consolidation:  
- TSS are currently developing a premises strategy.  
- Options include centralising the transport  
|  |  |  |  |
|      | Premises contribution - £32K  
|  |  |  |  |
|      | Savings in service budget – £85K from Yr 1  

Notes

1. National guidance quotes £30-35K for one full time manager for a medium sized scheme.  
We would estimate 1 full time manager, 2 assistants and a number of volunteers would be sufficient, supported by other TSS staff as necessary and the new IT system.
2. The charges will be consistent with our Tewkesbury Shopmobility service at £5.00 per half day / £7.50 per full day with other periods of hire available on request. Data received indicates c. 11500 vehicle hires will be conducted in 2011/12 so for illustration it’s assumed that each is charged at a half day rate.

3. The Annual membership includes both community transport and Shopmobility services

4. Risks

<table>
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<tr>
<th>Risk</th>
<th>Mitigation</th>
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<tbody>
<tr>
<td>Reduction in the level / quality of the service</td>
<td>£10K investment in ‘change management’ support.</td>
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<tr>
<td>Insufficient revenue is generated to cover the costs of the Shopmobility service</td>
<td>Contingency fund established from savings to off-set any short-terms funding gaps.</td>
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<td>Resistance from stakeholders</td>
<td>Ensure Governance structure is robust</td>
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5. Recommendations
1. That the three year Action Plan to migrate Shopmobility from Gloucester City Council to Third Sector Services is agreed in principle.
2. That sufficient contingency is budgeted for to off-set any short-term gaps in funding; this can be an element of the savings from the current Shopmobility budget.

Gareth Blackett, Deputy Chief Executive, Third Sector Services, April 2012
Annex 1

Third Sector Services Management Principles.

1. Financial Risk
   • Third Sector Services will not spend more than it earns.
   • Third Sector Services will not borrow any material\(^1\) sum against future projected income.
   • Third Sector Services will develop the organisation within existing financial and staff resources for the period of the Plan.
   • Third Sector Services will commit reserves to enable organisational development only when new contracts have been secured.

\(^1\)Material – a sum not greater than 10% of annual income

2. Cashflow
   • Third Sector Services will maintain a positive cashflow at all times and will not enter into contracts or agreements that require it to commit material sums in advance.
   • Third Sector Services will avoid adding quickly depreciating assets to its balance sheet wherever possible. Under some conditions such assets may be added where depreciation costs can be covered in a short period of time.

3. Funding
   • Third Sector Services will avoid entering into contracts and funding agreements that have negative cashflow except where entering into an agreement will not materially affect the total organisational cash position.

4. Mergers and acquisitions.
   • Third Sector Services will consider mergers with and acquisitions of other appropriate organisations when there is evidence that proves it is clearly in the interests of TSS to do so. A validated business case, setting out the costs and benefits to the organisation of such a move, will be considered by the Board of Trustees prior to the commencement of any negotiations.