

## EXECUTIVE DECISION RECORD SHEET

<b>Name of decision maker:</b>	Councillor Colette Wyatt-Lowe
<b>Portfolio:</b>	Community Services
<b>Date of Portfolio Holder Decision:</b>	28 January 2009

<b>Title of Decision:</b>	Shopmobility Service – Supplementary Grant
<b>Decision made and reasons:</b>  To approve a one-off grant of £10,000 to Community Action Dacorum in order to offset some of the financial deficit made during operation of the Shopmobility service since its transfer from Dacorum Borough Council in July 2006.	
<b>Reports considered: ( here reference can be made to specific documents)</b>  Background Report attached	
<b>Officers/Councillors/Ward Councillors/Stakeholders Consulted:</b>  Brian Trainor – Head of Housing Futures Project Chris Gordon – IDP Manager Moira Davies – Independent Living Manager	
<b>Monitoring Officer/Chief Financial Officer Comments:</b>  <u>Monitoring Officer</u> - No further comments to add  <u>Chief Financial Officer</u> - The supplementary grant of £10k can be met from the existing discretionary grants budget for 2008/9.	
<b>Implications:</b>  Risk: There is a risk that the Shopmobility service would suffer without this financial support. There is no risk to the service in awarding this grant  Value for Money: The Shopmobility service offers considerable value for money by being operated through CAD as set against the costs of managing the service directly by Dacorum Borough Council.	
<b>Options Considered and reasons for rejection:</b>  To refuse to consider a one-off grant – this was rejected because it may result in loss of service.	

<b>Portfolio Holders Signature:</b>
<b>Date:</b>

<b>Details of any interests declared and any dispensations given by the Standards Committee:</b>
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For Member Support Officer use only	
Date Decision Record Sheet received from portfolio holder: 26 January 2009	
Date Decision Published: 28 January 2009	Decision No: PH/006/09
Date of Expiry of Call-In Period: 4 February 2009	
Date any Call-In received or decision implemented:	

### BACKGROUND

1. In March 2006 Cabinet approved the transfer of management of the Shopmobility service to Community Action Dacorum (previously DCVS). The initial agreement was for the service to be managed on a three year basis ending on March 31<sup>st</sup> 2009.
2. The budget provision made for the service was based on the best financial information available at the time. The cost of the service was estimated to be £40,989 in 2006/07 and a projected inflationary increase was built into the calculations for 2007/08 (£41,682) and 2008/09 (£42,389). However it was noted that it was difficult to include all the associated costs in the estimate due to some Council costs being included within establishment charges and general budgets.
3. Community Action Dacorum agreed to monitor the costs of the service carefully and to inform the council of any major variations to the costs of the service. They have recently presented us with actual costs incurred over their period of operation of the service. This shows an operating deficit of £5,285 during year 1 (8 months) and a deficit of £7,320 in year 2. A similar operating deficit is expected for year three. Over the entire period CAD are estimating a loss of around £19,000 on the operation of the scheme.
4. The variation has been caused by a number of factors. Firstly the staff salary settlement has been at 2.75% rather than the 2% projected in March 2006. In addition CAD have incurred a considerably higher staff pension contribution because of the higher charges to organisations with Admitted Body Status. Another cost which is considerably higher is Insurance which cost CAD £1,544 in 2007/08 against a DBC estimate of around £500. CAD have also allocated management costs in line with accounting best practice for charities which increases costs by around £2,000.
5. One of the advantages of the Third sector managing the service is the potential to attract donations and grants in a way that is not possible for a Council managed scheme. The service has been able to attract donations and grants to support it but the use of this finance has been limited by a condition in our agreement that any donation should be allocated to Dacorum Action on Disability. CAD have now reached agreement with DAD that this agreement can be modified to support the Shopmobility service directly. It is expected that this will offset some of the increased service costs in the future.
6. CAD now wish to reach a financial agreement with the Council so as to ensure that the service can continue operating whilst limiting the costs to CAD. After negotiation with CAB, Officers have agreed to recommend that an additional sum of £10,000 be allocated to the project to cover losses up to March 2009.
7. Provision exists within 2008/09 budget to make this one-off payment from within the discretionary grants fund.