



REPORT TO EXECUTIVE

PORTFOLIO AREA: COMMUNITY ENGAGEMENT

Date of Meeting: 30th August 2011

Public

Key Decision: Yes

Recorded in Forward Plan:

No

Inside Policy Framework

Title: REVIEW OF HOSTEL CHARGES 2011/2012

Report of: THE ASSISTANT DIRECTOR OF COMMUNITY ENGAGEMENT

Report reference: CD/10/11

Summary:

This report sets out reviewed charges for the Hostel services falling within the responsibility of the Community Engagement Directorate.

Recommendations:

The Executive is asked to note and agree:

- To increase the Hostel Services charges effective from 1st October.

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1. BACKGROUND INFORMATION

- 1.1 Each Directorate is required to carry out an annual review of fees and charges.
- 1.2 Executive approved the current charges on 8th November 2010 (CD/21/10). The report highlighted that in line with changes taking place within Housing Benefit and Supporting People there would be a need to undertake a review of homelessness temporary accommodation.
- 1.3 As part of the Hostel Services review the rationale for the breakdown of the rent charge has been reviewed to reflect the actual costs of the service delivery in line with the Corporate Charging Policy 2010 as outlined in Appendix A. Due to this review, hostel and homeshare rents were not increased on the 1st April, as set out in the report of 1 November 2010. The charges from 2010/11 have continued to be applied until the rationale for rent charging was finalised.
- 1.4 This report proposes an increase to the agreed 2011/12 charges for the Hostel services (agreed in CD/21/10) and that the implementation date is 1st October 2011. The increased charges have been assessed based on actual rental costs of hostel and homeshare units as set out in 2.1 below.
- 1.5 This represents an increase ranging from 12.5% (John Street) to 26% (London Road). Housing Association hostel rents have increased by between 35% and 83% over the same period.

2. CORPORATE CHARGING POLICY 2010

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, sets out the City Council's policy for reviewing charges. The principal objective(s) of setting the charge are:-
 - Recover cost of service provision
 - Generate Surplus Income (where permitted)
 - Maintain existing service provision
 - Fund service improvements or introduction of new services(s)
 - Manage demand for service(s)
 - Promote access to services for low-income households
 - Promote equity or fairness
 - Achieve wider strategic policy objectives (e.g. encouraging Green Policies)

3. HOSTEL SERVICES

- 3.1 The charges detailed for hostels do not include a support element as this is funded through Cumbria Supporting People (SP). The support service charge costs are being reviewed as part of the same exercise.
- 3.2 The increase in the charges will ensure that the service charge accurately reflects the costs of the service provision, and will promote equity and fairness to the customer. Where possible the proposed charges are based on actual service costs from 2010/11 (John Street was closed for 7 months) and will continue to be reviewed on an annual basis to reflect actual costs.

4 PROPOSED HOSTELS CHARGES FROM 1 AUGUST 2011/12

PROJECT		2010/11 APPROVED CHARGES	2011/12 PROPOSED REVIEWED CHARGES From 1 October 2011
LONDON ROAD			
5	Total Charge	£200.67	£279.86
5	Personal Charge	£21.24	£17.56
JOHN STREET			
28	Total Charge	£197.09	£225.79
28	Personal Charge	£17.12	£15.90
HOMESHARES			
22	Total Charge	£193.08	£229.56
22	Personal Charge	£13.59	£12.90

5. RECOMMENDATIONS

The Executive is asked to agree the charges as set out in this report with effect from 1st October 2011.

6. REASONS FOR RECOMMENDATIONS

To ensure that hostel charges reflect the actual costs of service provision

7. IMPLICATIONS

- Staffing/Resources – N/A

- Financial – The full year implications in increased rental income of the amended rent charges is £101,000 per annum. For 11/12 based on the 1 October implementation date, the increased rental income is £50,500.
- Legal – Paragraph D.31 of the Council's Financial Procedure Rules provides that, except where specifically approved all new charges or changes to existing charges require prior approval of the Executive.
- Corporate – The report reflects the Council's Charging Policy and recognises the MTFP requirements.
- Risk Management – The income forecasts and charging proposals reflect the current market climate and known issues which could impact on income levels in 2011/12.

- **Impact assessments**

- **Does the change have an impact on the following?**

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
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Does the policy/service impact on the following?		
Age	Yes	positive
Disability	Yes	positive
Race	Yes	positive
Gender/ Transgender	Yes	positive
Sexual Orientation	Yes	positive
Religion or belief	Yes	positive
Human Rights	Yes	positive
Health inequalities	Yes	positive
Rurality	Yes	positive

If you consider there is either no impact or no negative impact, please give reasons:

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APPENDIX A

CORPORATE CHARGING POLICY 2009

This appendix sets out the corporate approach to the setting of fees and charges.

Each service is required to consider how and to what extent each of the following applies to the fees and charges it proposes to set:

1. Objectives of Charge - Set out the principal objective(s) of setting the charge:

- Recover cost of service provision
- Generate Surplus Income (where permitted)
- Maintain existing service provision
- Fund service improvements or introduction of new service(s);
- Manage demand for service(s)
- Promote access to services for low-income households;
- Promote equity or fairness;
- Achieve wider strategic policy objectives (e.g. encouraging green policies).

2. Other factors influencing decisions on whether and how much to charge:

- The Council's historic approach to charging
- The views of local politicians, service users and taxpayers
- Other Councils' and service providers approach to charging
- Levels of central government funding and policy objectives
- The Council's overall financial position
- Changes in demand for services
- Policy on Concessions
- Availability of powers to charge for discretionary services (e.g. pre application planning advice)
- Central Government policy objectives

3. Targeting Concessions - The following target groups should be considered:

- OAPs
- Unemployed
- Young persons under the age of 18
- Students in full time higher education
- Community Groups
- Those in receipt of supplementary benefits, tax credits, attendance allowance, disability living allowance and other appropriate groups

4. Trading

The Council is empowered to sell goods or services to other public bodies or trade commercially through a company with non-public bodies. The objectives should be considered for relevant services (including Building Cleaning and Maintenance, Vehicle Maintenance, Grounds maintenance, Legal Services, Human Resources, IT, Payroll, Planning and Development Services) as follows to:

- Deliver services more strategically on an area-wide basis
- Achieving greater efficiency
- Capitalise on expertise within the council
- Utilise spare capacity
- Generate income
- Support service improvement

5. Value For Money

- Has charging been used as a tool for achieving strategic policy objectives?
- Has the optimum use of the power to charge been used?
- Has the impact of charging on user groups been monitored?
- Has charging secured improvements in value for money?
- Has charging been used as a tool to reduce increases in Council Tax?

