



PORTFOLIO AREA: ENVIRONMENT & HOUSING

Date of Meeting: 22 November 2011

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: REVIEW OF CHARGES 2012/13 - COMMUNITY
ENGAGEMENT

Report of: ASSISTANT DIRECTOR (COMMUNITY ENGAGEMENT)

Report reference: CD 25/11

Summary:

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

Recommendations:

The Executive is asked to agree:

- The increase in charges as set out in the report with effect from 1st April 2012 noting the impact these will have on income generation as detailed within the report

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CITY OF CARLISLE

To: The Executive

CD25/11

22 November 2011

REVIEW OF CHARGES 2012/13 – 2016/17

COMMUNITY ENGAGEMENT

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 Hostel Services charges on 30/08/11 with an implementation date of 1st October 2011 (CD/10/11). The report highlighted the rationale which reflects the actual costs of the service delivery in line with the Council's Corporate Charging Policy.
- 1.3 It was agreed that the rent rationale would be reviewed annually to reflect the actual costs of the services.

2. CORPORATE CHARGING POLICY 2012/13 TO 2016/17

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, was approved by the Executive on 30 August 2011 and Full Council on 13 September and 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)
- 2.2 In addition, the policy recognises that each Directorate is different, and requires Directors to develop specific principles for their particular service or clients groups, but within the parameters of the main principles of the Council's Corporate Charging Policy.

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 charges have been increased in line with the corporate charging policy reflecting an inflationary increase of 2%. This will result in an income of **£445,800** in 2012/13.

2012/13 PROPOSED HOSTEL CHARGES (from 1st April 2012)

| PROJECT | | 2011/12 AGREED CHARGES | 2012/13 PROPOSED REVIEWED CHARGES From 1 April 2012 |
|--------------------|-----------------|------------------------|--|
| LONDON ROAD | | | |
| 5 | Total Charge | £279.86 | £285.46 |
| 5 | Personal Charge | £17.56 | £17.91 |
| JOHN STREET | | | |
| 28 | Total Charge | £225.79 | £230.30 |
| 28 | Personal Charge | £15.90 | £16.22 |
| HOMESHARES | | | |
| 22 | Total Charge | £229.56 | £234.15 |
| 22 | Personal Charge | £12.90 | £13.16 |

4. SUMMARY OF INCOME GENERATED

- 4.1 The introduction of the charges proposed is forecast to generate income of £445,800 which is summarised in the table below:

| Service Area | Original Estimate 2011/12 £ | MTFP Target 2012/13 £ | Original Estimate 2012/13 £ | Difference to MTFP Target £ | % (Increase)/ Decrease |
|---|-----------------------------------|-----------------------------|-----------------------------------|--------------------------------|------------------------------|
| Hostel Charges | 337,100 | 337,100 | 445,800 | | |
| Charges October 2011 (full year affect) | | 100,000 | | | |
| Total | 337,100 | 437,100 | 445,800 | (8,700) | (2.0%) |

| | | | | | |
|--|--|--|--|--|--|
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|--|--|--|--|--|--|

5. RECOMMENDATIONS

Executive is asked to agree:

- The increase in charges as set out in the report with effect from 1st April 2012 noting the impact these will have on income generation as detailed within the report

6. REASONS FOR RECOMMENDATIONS

To ensure that hostel charges reflect the actual costs of service provision and are in line with the City Council's Corporate Charging Policy.

7. IMPLICATIONS

- Staffing/Resources – N/A
- Financial – The full year implications in increased rental income of the amended rent charges is £108,700 per annum.
- 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 reflect the current market climate and known issues which could impact on income levels in 2012/13.

Impact assessments

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

| Equality Impact Screening | Impact Yes/No? | Is the impact positive or negative? |
|--|-----------------------|--|
| 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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CORPORATE CHARGING POLICY 2012/13 TO 2016/17

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 (eg 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 (eg pre application planning advice)

- Central Government policy objectives

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

- Persons over 65
- 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?