

Proposal to Increase Charges to Homeless Households for Use of the Council's Removals & Storage Service

1. Legal Duty

Under the Housing Act 1996, the Council has a legal obligation to take reasonable steps to prevent the loss of, or to prevent or mitigate the damage to, the personal property of homeless persons where the Council has reason to believe that there is a danger of loss or damage to those goods because of the homeless persons' inability to protect or deal with them and in the absence of other suitable arrangements being made. The Council is also allowed to make reasonable charges to homeless applicants for removals and storage of personal property.

2. Current Charging Policy

Prior to the 10 July 2006 the service was generally offered at no cost to the customer. However, in January 2006, Members approved the introduction of charges for the service. The new policy was implemented from the 10 July 2006, and applied to work undertaken from that point onwards. Two rates were set for working and non-working customers.

In 2007, Members agreed increases in customer storage charges broadly based on recovery of 90% of the Contractor costs incurred by the Council for storage jobs. These increased charges were introduced on the 07 November 2007. However, jobs that went into store before the 10 July 2006 remained at nil charge and currently comprise 62% of the jobs in store. This represents a substantial amount in terms of the budget.

3. Proposed Changes to Removals & Storage Charging Policy

Members are asked to approve the following changes to the Removals & Storage Charging Policy.

- a) That all customers, including those currently receiving a free service, be charged the full cost of the service.
- b) That the charges reflect the current rates for removals and storage paid by the Council to the Contractor, and should be levied at the same rate on working and non-working customers.
- c) That the levied charges are approved as reasonable charges (see Table 1 below). They reflect the Contractor costs to the Council but exclude the costs of administering the service. The charges are also generally lower than the rates that would be charged by private contractors to domestic customers.

Table 1: Proposed Charges

Storage	Approx. £32 per 250 cu ft container per month (about 85% of jobs comprise 1-2 containers)
Removals	Up to £120 per removals (about 90% of jobs are within this price range)

4. Consultation

Officers have consulted customers who currently have their personal property stored at nil cost to themselves. Customers were each sent a letter advising them about the proposal to change the Removals & Storage Charging Policy, and encouraging them to give their views on this. They were given 10 days in which to respond. 159 letters were sent and 24 replied (as at 27/01/10). This is a response rate of around 15%. The results of the consultation are shown in Table 2 below.

Table 2: Results of Consultation

Question	Yes	No
Are you prepared to pay storage charges?	3	21
Do you think £32 per container per month is reasonable?	1	23
Would you accept delivery to your temporary accommodation?	7	16
Would you like the Council to dispose of your property?	2	22

The overriding concerns of the respondents were:

- That they could not afford to pay storage charges because they were on benefits.
- That they could not accept delivery to their temporary accommodation as it was furnished.
- That they cared about their possessions and did not want them disposed of.
- They wanted to be housed in unfurnished permanent accommodation where they could accept delivery of their goods.

With regard to the three customers who said they were prepared to pay monthly charges, only one agreed that a charge of £32 per container was reasonable. The other two customers thought a total monthly charge of between £20-£25 was more reasonable.

Members should note that all customers will be given the opportunity to have their personal property delivered to them, or to make arrangements for the Council to dispose of their goods at no charge, if they do not wish to pay the storage charges, should Members agree these recommendations.

Members will wish to take account of customer views before making a decision on the proposal.

5 Financial Implications

The total agreed budget for expenditure on removals & storage for 2009/10 is £303,900. Officers are forecasting a lower spend of £255k as a result of the decrease in homeless

approaches (which is expected to continue) and the reduction in the use of temporary accommodation.

Currently new customers charged for storage pay about 90% of the Contractor costs, and a significant numbers, whose belongings were stored prior to the introduction of charges do not pay anything. This proposal will enable the Council to recoup its full expenditure on storage. It is estimated that this will potentially increase income from storage by an additional £115k. The net savings will be £80k which takes into consideration staffing costs of £36,500.

6 Staffing Implications

Two SO1 grade officers will be required on 6 month contracts to:

- Write to customers, giving them notice of charges (4 week period).
- Arrange deliveries or disposals during 4 week period on rolling programme basis.
- Deal with customer/legal complaints and challenges regarding policy.
- Set up accounts for customers who want to pay for the service.

7 Legal Implications

Members should be aware that there is a risk that the proposed changes to the Removals & Storage Charging Policy may give rise to legal challenges regarding the reasonableness of the charges and may result in a possible increase in complaints. However, as the charges do not include the costs incurred by the Council in administering the service, and, further, as the charges are generally below what would be charged to a private domestic customer by a private contractor, officers are confident that the proposed charges are reasonable. Officers have carried out a consultation exercise as set out in paragraph 4 above. The Council's statutory obligation regarding the storage of property belonging to homeless households is set out in paragraph 1 above.