

Report of	Meeting	Date
Corporate Director (Business)	Executive Cabinet	8 th January

COTSWOLD HOUSE TRANSFER

PURPOSE OF REPORT

1. To outline the arrangements for the management of Cotswold House, temporary accommodation for homeless customers from 1st April 2009.

RECOMMENDATION (S)

2. To approve the proposed 2009/10 budget and staffing structure for Cotswold House.
3. To approve charges for 2009/10 of – rent £97.01 per wk, eligible service charges £81.40, and ineligible services £12.00 per wk.

EXECUTIVE SUMMARY OF REPORT

4. The Council took the decision to enter into negotiations with CCH to bring the management of the hostel back to the Council. This was for a variety of reasons, mainly concerning the quality of the management of the service and potential to improve value for money.
5. Negotiations began following the Councils' decision and CCH have agreed subject to terms of agreement, to end the agreement to manage the hostel. The Council and CCH have agreed a target date of 31st March for the completion of this transfer. This means that from 1st April 2009, responsibility for the management of Cotswold House will be the Business Directorates'.
6. In order to be fully prepared to manage the hostel effectively from 1st April, it is essential that a proposed budget be set for the hostel, which takes into account the incomes from Supporting People grant and rental income, and projected expenditure. Expenditure has been estimated as this is based on uplifted accounts available to the Council from 2006/7, as CCH have not yet provided a full breakdown of the outturn for 2007/8. Staffing costs are based on the proposed staffing structure, which is included within this report.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

7. The budget will be agreed for 2009/10 and necessary improvements can be planned
8. The vacant posts can be advertised and recruited in preparation for date of transfer.

CORPORATE PRIORITIES

9. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances	3	Develop the Character and feel of Chorley as a good place to live	3
Involving people in their communities	3	Ensure Chorley Borough Council is a performing organization	

BACKGROUND

- Following the decision to bring back the management of Cotswold House, temporary accommodation hostel, which is owned by the Council but currently managed by CCH on the Councils' behalf, negotiations have been underway to agree the terms of the transfer.
- A draft heads of terms agreement has been drafted and officers are developing the necessary infrastructure to ensure the transition to the Council will be smooth for both staff and for our customers. A provisional date of 31st March for the termination of the existing agreement has been agreed, which would mean that from the 1st April 2009, the management of the hostel would fall to the Business Directorate.

BUDGET

- In order to make the necessary improvements to the building, the furnishings and the quality of service, it is essential to have an accurate, balanced budget for the hostel. This budget will provide the necessary resources for the improvement plan for the hostel and also generate some cash savings for the Council.
- There is an existing Supporting People contract awarded to the hostel for the provision of support services and discussions are underway with Lancs. County Council as to the transfer of that contract (of no less than the current value of £127,000) to the Council on or before 1st April 2009 and this has been agreed in principle.
- Upon the transfer of the Supporting People contract, there will be a number of key performance indicators, which are currently under performing, which the Supporting People Team will expect to see improvement of within 12 months.
- The contract for the concierge service for the hostel will also need to be tendered and this process will need to be started as soon as possible.

STAFFING STRUCTURE

16. The staffing structure proposed consists of

- 1x full time Hostel Coordinator post (POA)
- 2x full time Homelessness Support and Advice Officers (Scale 5)
- 1x part time Homelessness Support and Advice Officer (Scale 5)
- 2 x weekend Homelessness Support and Advice Officers (Scale 5)
- 2 x part time domestics (Scale 1)

This structure will provide a full time manager for the hostel along with two full time staff and three part time staff. It will also provide a contribution to the Prevention Officer Post within the Homelessness and Housing Advice Team, which will play a role improving the life chances of our customers who reside in the hostel.

- It is envisaged that there will be two full time staff and two part time domestics transferring from CCH to the Council under the TUPE regulations, although these details are yet to be confirmed officially. These staff will slotted into the new structure and will be able to apply for any other remaining posts should they wish to do so.

18. It is imperative that a full time Hostel Coordinator post is included within the structure as this officer will be responsible for driving forward the change management process required for Cotswold House and expanding the services provided by outside agencies within the hostel, to include education, life skills, health and links to employment and training. It is also recommended that this manager post be recruited following the approval of this report and that they are permitted to start two weeks prior to the date of transfer (i.e. 18th March 2009). This will enable them to undertake a full handover of the services from CCH, and also identify any outstanding matters prior to CCH's exit.
19. The staffing structure which is proposed meets the current requirements of the Supporting People Contract to provide 117.90 hours of support with support opening hours as per appendix one. There will be staff available until 8.00pm weekdays and from 10.00 until 4.00pm weekends. At all other times, a concierge service will be provided, which meets the requirements of Supporting People and evidence from other projects, such as the Stonham project on Southport Road has demonstrated this to be an effective method of reducing anti social behaviour.

IMPLICATIONS OF REPORT

20. This report has implications in the following areas and the relevant Corporate Directors' comments are included:

Finance	3	Customer Services	
Human Resources	3	Equality and Diversity	
Legal	3	No significant implications in this area	

COMMENTS OF THE CORPORATE DIRECTOR OF HUMAN RESOURCES

21. The report outlines the recommendation to terminate the agreed contract with CCH to provide the management of Cotswold House on behalf of Chorley Council and bring the service back in house. In employment law this is regarded as a TUPE transfer under the TUPE regulations 2006 and therefore the four employees currently employed by CCH at Cotswold House are eligible to transfer to Chorley Council under the terms of the TUPE regulations. The relevant Council policies and statutory requirements would be adhered to when dealing with the transfer. Furthermore, all posts affected by the transfer of Cotswold House, including those within the Strategic Housing Unit will need consideration being given as to whether there is a requirement for them to be re-evaluated, in particular where additional duties have resulted from the transfer.

COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

22. Hostels provide both accommodation and support for residents. To meet these costs authorities receive Supporting people Grant (SPG), and residents can claim higher levels of housing benefit to meet rents and service charges. In addition occupiers have to meet their own heating, lighting and water charges.

23. The budget for 2009/10 is as follows

Expenditure	£'000	Income	£'000
Employees	236.1	Supporting People Grant	127.3
Other running costs	112.6	Rents	126.1
Irrecoverables (see para. 23)	13.0	Eligible service charges	105.8
		Services to be met by resident	28.5
		Less void losses	(26.0)
	361.7		361.7

24. Included within "other running costs" is a recharge of £39,000 for administration overheads. The transfer of this cost from the General Fund represents a budget saving to the Council and is consistent with its wider budget proposals for 2009/10.
25. With regard to the robustness of these figures, it has been difficult to obtain from CCH all the information needed. Best estimates have been used where firm data is missing.
26. The current charges (collectible over 52 weeks), and those proposed for 2009/10, and which will achieve the levels of income shown above, are as follows

	Current weekly charges	Proposed weekly charges
	£.pp	£.pp
Rents (eligible for housing benefit)	52.20	97.01
Services (eligible for housing benefit)	41.57	81.40
Services to be met by residents	9.06	21.94

27. The first two charges will, subject to the means of the resident, be fully met by housing benefit.
28. The major increase in residents service charges is the result of fuel costs which have more than doubled in recent years, Whilst these charges are justified by the costs they may be uncollectable, and the budget has included an irrecoverable provision of approximately 50%. The alternative strategy is to fix a lower level of charge. This would reduce the potential income, but this would be offset by a reduction in the bad debt risk. It is therefore proposed that a charge of £12 per week be levied. There is the risk that this will cause a small deficit to be incurred on the scheme.

JANE MEEK
CORPORATE DIRECTOR (BUSINESS)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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