

## Estimated costs of proposed policy in year one

### Net cost of providing service to existing users (year one)

Notices served per month

25

	existing policy				6 month period for serving notices and reducing existing users								
Storage Costs @ £50/4wks	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Existing users at start	154	154	154	154	154	154	129	104	79	54	29	4	-
Existing users at end	154	154	154	154	154	129	104	79	54	29	4	-	-
Average existing users	154	154	154	154	154	142	117	92	67	42	17	2	-
<b>Total Storage Costs (existing users)</b>	<b>£7,700</b>	<b>£7,700</b>	<b>£7,700</b>	<b>£7,700</b>	<b>£7,700</b>	<b>£7,075</b>	<b>£5,825</b>	<b>£4,575</b>	<b>£3,325</b>	<b>£2,075</b>	<b>£825</b>	<b>£100</b>	<b>£62,300</b>
<b>Return Costs @£50 per return</b>													
Notices expiring	-	-	-	-	-	25	25	25	25	25	25	4	-
<b>Total Return Costs (existing users)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>£3,750</b>	<b>£3,750</b>	<b>£3,750</b>	<b>£3,750</b>	<b>£3,750</b>	<b>£3,750</b>	<b>£600</b>	<b>£23,100</b>
<b>COSTS FOR EXISTING USERS</b>	<b>£7,700</b>	<b>£7,700</b>	<b>£7,700</b>	<b>£7,700</b>	<b>£7,700</b>	<b>£10,825</b>	<b>£9,575</b>	<b>£8,325</b>	<b>£7,075</b>	<b>£5,825</b>	<b>£4,575</b>	<b>£700</b>	<b>£85,400</b>

### Net cost of providing service to new users (year one)

New users per month(1)

3

	existing policy				new policy								
Service	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Collection	£300	£300	£300	£300	£450	£450	£450	£450	£450	£450	£450	£450	£4,800
Storage during Assessment (4 weeks / 28 days)	£120	£120	£120	£120	£150	£150	£150	£150	£150	£150	£150	£150	£1,680
Storage until moved to self-contained accommodation (accepted cases only) (2)	£79	£79	£79	£79	£99	£99	£99	£99	£99	£99	£99	£99	£1,109
Storage during 1 month notice period	£120	£120	£120	£120	£150	£150	£150	£150	£150	£150	£150	£150	£1,680
'once only' service (3)	£100	£100	£100	£100	£150	£150	£150	£150	£150	£150	£150	£150	£1,600
Delivery & Disposals	£300	£300	£300	£300	£450	£450	£450	£450	£450	£450	£450	£450	£4,800
Cancellations (4)	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£180
<b>COSTS FOR NEW USERS</b>	<b>£1,034</b>	<b>£1,034</b>	<b>£1,034</b>	<b>£1,034</b>	<b>£1,464</b>	<b>£1,464</b>	<b>£1,464</b>	<b>£1,464</b>	<b>£1,464</b>	<b>£1,464</b>	<b>£1,464</b>	<b>£1,464</b>	<b>£15,849</b>

Notes:

- (1) In the current service, not all new users will take their property back and become 'existing' users. However, these new long term users are generally match by long term.
- (2) it is assumed that two thirds of new users will be accepted and for these users, the service of the notice will be delayed a month until they have been moved to self-contained accommodation.
- (3) it is assumed that a third of new users will use the 'once only' service
- (4) it is assumed that there will be two cancellations during the year, which has been averaged out as 1/6th of user a month for March to June. Full charges are assumed to apply after July. users leaving

### Total net cost of providing service to all users (year one)

	existing policy				new policy								
Service	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
<b>TOTAL COSTS YEAR ONE</b>	<b>£8,734</b>	<b>£8,734</b>	<b>£8,734</b>	<b>£8,734</b>	<b>£9,164</b>	<b>£12,289</b>	<b>£11,039</b>	<b>£9,789</b>	<b>£8,539</b>	<b>£7,289</b>	<b>£6,039</b>	<b>£2,164</b>	<b>£101,249</b>

## Appendix B: Costs comparison of new and existing charging structures for Removals and Storage

### Ongoing annual costs of current, and costs of proposed service in year one and two

Effects on costs of varying number of new users and notices served per month

The following analysis forecasts the costs of the current service, and year one, and year two of the proposed service for varying numbers of new users taking up the service each month. It also models the increased costs of extending the introduction of charges to existing users. These costs will only be incurred in year one of the proposed policy.

Estimates based on current performance (and 6 months introduction of charges) are highlighted. Options which cost more than the current budget of £100,000 are in marked in grey.

#### Ongoing annual costs of existing charging structure

	new users each month											
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Total Annual Costs</b>	£96,657	£100,734	£104,810	£108,887	£112,964	£117,041	£121,118	£125,194	£129,271	£133,348	£137,425	£141,502

Forecasts based on current performance

#### Year One costs of new charging structure

Implementation time for existing users (Notices served each month)	new users each month											
	1	2	3	4	5	6	7	8	9	10	11	12
1 year implementation (12 notices per month)	£94,107	£98,991	£103,874	£108,757	£113,640	£118,523	£123,407	£128,290	£133,173	£138,056	£142,939	£147,823
6 months implementation (25 notices per month)	£91,482	£96,366	£101,249	£106,132	£111,015	£115,898	£120,782	£125,665	£130,548	£135,431	£140,314	£145,198
3 months implementation (50 notices per month)	£83,382	£88,266	£93,149	£98,032	£102,915	£107,798	£112,682	£117,565	£122,448	£127,331	£132,214	£137,098
2 months implementation (75 notices per month)	£80,682	£85,566	£90,449	£95,332	£100,215	£105,098	£109,982	£114,865	£119,748	£124,631	£129,514	£134,398
1 month implementation (150 notices per month)	£77,982	£82,866	£87,749	£92,632	£97,515	£102,398	£107,282	£112,165	£117,048	£121,931	£126,814	£131,698

#### Annual costs of new charging structure for subsequent years

	new users each month											
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Total Annual Costs</b>	£5,976	£11,772	£17,568	£23,364	£29,160	£34,956	£40,752	£46,548	£52,344	£58,140	£63,936	£69,732

The analysis assumes an average assessment time for homelessness applications of less than 28 days - current performance is 21 days.

Annual estimated costs would increase by £600 per new user if the average assessment time increased to between 28 to 56 days - equivalent to an annual cost of £98,100 for year one and £18,180 for year two based on 3 new users a month.