

<h1>REPORT TO EXECUTIVE</h1>			
PORTFOLIO AREA: HEALTH AND WELL-BEING			
Date of Meeting:			
Public			
Key Decision:		Yes	
		Recorded in Forward Plan:	Yes
Inside Policy Framework			

Title: HOUSING GENERAL FUND REVIEW OF CHARGES 2003/04

Report of: THE CITY TREASURER AND THE DIRECTOR OF HOUSING

Report reference: FINANCIAL MEMO 2002/03 NO 50 & H061/2002

Summary:

The report advises Members of the proposed increase in charges for Hostels, including Supporting People charges.

Recommendations:

It is recommended that all charges be increased in line with the Corporate Charging Policy i.e. 1% above inflation, as set out in para 3.2 and that these changes take effect from 1 April 2003.

Contact Officer: Brian Durham **Ext:** 7303

Alison Taylor 7289

- 1.
- 2. BACKGROUND INFORMATION AND OPTIONS
 - 1. This report considers Hostel rents for 2003/04, which fall within the General Fund.
 - 2. The report has been prepared in accordance with the principles set out under the Council's current Corporate Charging Policy.
 - 3. The charges which have been reviewed are addressed separately below.
- 3. CORPORATE CHARGING POLICY
 - 1. The Corporate Charging Policy that was approved by the City Council on 16 July 2002 sets out an income target so as to produce an overall increase in income equal to inflation plus 1%.
 - 2. Therefore, for 2003/04 each service is required to achieve a corporate target for income generation of 3.5% (RPI of 2.5% plus 1%) and the increases proposed have been set with this requirement in mind. In addition, the policy requires Service Managers to investigate the scope

for charging for services that have not been traditional charging areas.

4. HOSTELS

- 1. This service has in recent years had increases above the corporate policy levels to bring the rent more in line with other Social Housing providers. Other increases have also been necessitated for Health and Safety reasons and also in accordance with the Supporting People regime.
- 2. A review of the service provided by both the John Street and the London Road hostels is currently ongoing and until the review is completed it is recommended that the rents be increased in line with corporate guidance as detailed below:

		2002/03	2003/04
		Current	Proposed
		£	£
Single Person	Rent	95.71	99.05
	Supporting People	27.57	28.53
	Supporting People (H&S)	84.78	87.75
	Other	<u>22.39</u>	<u>23.17</u>
	Per Night	145.67	238.51
Family		20.81	34.07
	Rent	114.76	118.78
	Supporting People	33.25	34.41
	Other	<u>28.91</u>	<u>29.90</u>
	Per Night	176.92	183.11
		25.27	26.16

- 3. Based upon current occupancy levels the implementation of the above charges would generate an additional £14,000 for 2003/04.

10. CONSULTATION

Overview and Scrutiny as part of the budget process.

11. STAFFING/RESOURCES COMMENTS

Not applicable

12. FINANCIAL COMMENTS

Included within the main body of the report.

The introduction of the charges proposed above is forecast to produce additional income in 2003/04 for the General Fund and this is summarised in the table below.

GENERAL FUND	Original Estimate 2002/03 £	Estimate 2003/04 £	£ increase £
Hostels	400,000	414,000	14,000 (3.5%)

13. LEGAL COMMENTS

Not applicable

14. CORPORATE COMMENTS

Not applicable

15. RECOMMENDATIONS

15.1 It is recommended that all charges be increased in line with the Corporate Charging Policy i.e. 1% above inflation, as set out in para 3.2 and that these changes take effect from 1 April 2003.

16. REASONS FOR RECOMMENDATIONS

To ensure that the City Council’s Corporate Charging Policy requiring an increase in income of 3.5% for 2003/04 is complied with.

D THOMAS T BRAMLEY

City Treasurer Director of Housing