

Council

Wednesday 3 February 2016

2.00 pm

**Council Chamber, Town Hall,
Pinstone Street, Sheffield, S1 2HH**

The Press and Public are Welcome to Attend

COUNCIL

Wednesday 3 February 2016, at 2.00 pm
Council Chamber, Town Hall, Pinstone Street, Sheffield, S1 2HH

The Press and Public are Welcome to Attend

MEMBERS OF THE COUNCIL

THE LORD MAYOR (Councillor Talib Hussain)
THE DEPUTY LORD MAYOR (Councillor Denise Fox)

1	<i>Arbourthorne Ward</i> Julie Dore Mike Drabble Jack Scott	10	<i>Dore & Totley Ward</i> Joe Otten Colin Ross Martin Smith	19	<i>Mosborough Ward</i> David Barker Isobel Bowler Tony Downing
2	<i>Beauchief & Greenhill Ward</i> Julie Gledhill Roy Munn Richard Shaw	11	<i>East Ecclesfield Ward</i> Pauline Andrews Steve Wilson Joyce Wright	20	<i>Nether Edge Ward</i> Nasima Akther Nikki Bond Mohammad Maroof
3	<i>Beighton Ward</i> Helen Mirfin-Boukouris Chris Rosling-Josephs Ian Saunders	12	<i>Ecclesall Ward</i> Penny Baker Roger Davison Shaffaq Mohammed	21	<i>Richmond Ward</i> John Campbell Lynn Rooney Paul Wood
4	<i>Birley Ward</i> Denise Fox Bryan Lodge Karen McGowan	13	<i>Firth Park Ward</i> Sheila Constance Alan Law Garry Weatherall	22	<i>Shiregreen & Brightside Ward</i> Peter Price Sioned-Mair Richards Peter Rippon
5	<i>Broomhill Ward</i> Jayne Dunn Aodan Marken Brian Webster	14	<i>Fulwood Ward</i> Sue Alston Andrew Sangar Cliff Woodcraft	23	<i>Southey Ward</i> Leigh Bramall Tony Damms Gill Furniss
6	<i>Burngreave Ward</i> Jackie Drayton Ibrar Hussain Talib Hussain	15	<i>Gleadless Valley Ward</i> Steve Jones Cate McDonald Chris Peace	24	<i>Stannington Ward</i> David Baker Katie Condliffe Vickie Priestley
7	<i>Central Ward</i> Lewis Dagnall Robert Murphy Sarah Jane Smalley	16	<i>Graves Park Ward</i> Ian Auckland Steve Ayris Denise Reaney	25	<i>Stocksbridge & Upper Don Ward</i> Jack Clarkson Richard Crowther Keith Davis
8	<i>Crookes Ward</i> Rob Frost Anne Murphy Geoff Smith	17	<i>Hillsborough Ward</i> Bob Johnson George Lindars-Hammond Josie Paszek	26	<i>Walkley Ward</i> Olivia Blake Ben Curran Neale Gibson
9	<i>Darnall Ward</i> Dianne Hurst Mazher Iqbal Mary Lea	18	<i>Manor Castle Ward</i> Jenny Armstrong Terry Fox Pat Midgley	27	<i>West Ecclesfield Ward</i> John Booker Adam Hurst Zoe Sykes
				28	<i>Woodhouse Ward</i> Mick Rooney Jackie Satur Ray Satur

John Mothersole

Chief Executive

Contact:

Paul Robinson, Democratic Services

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PUBLIC ACCESS TO THE MEETING

The Council is composed of 84 Councillors with one-third elected three years in four. Councillors are democratically accountable to the residents of their Ward. The overriding duty of Councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them

All Councillors meet together as the Council. Here Councillors decide the Council's overall policies and set the budget each year. The Council appoints the Leader and at its Annual Meeting will appoint Councillors to serve on its Committees. It also appoints representatives to serve on joint bodies and external organisations.

A copy of the agenda and reports is available on the Council's website at www.sheffield.gov.uk. You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. on Friday. You may not be allowed to see some reports because they contain confidential information. These items are usually marked * on the agenda.

Members of the public have the right to ask questions or submit petitions to Council meetings and recording is allowed under the direction of the Chair. Please see the website or contact Democratic Services for further information regarding public questions and petitions and details of the Council's protocol on audio/visual recording and photography at council meetings.

Council meetings are normally open to the public but sometimes the Council may have to discuss an item in private. If this happens, you will be asked to leave. Any private items are normally left until last. If you would like to attend the meeting please report to the First Point Reception desk where you will be directed to the meeting room.

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

**COUNCIL AGENDA
3 FEBRUARY 2016**

Order of Business

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members to declare any interests they have in the business to be considered at the meeting.

3. MINUTES OF PREVIOUS COUNCIL MEETING

To receive the record of the proceedings of the meeting of the Council held on 6th January 2016 and to approve the accuracy thereof.

4. PUBLIC QUESTIONS AND PETITIONS AND OTHER COMMUNICATIONS

(a) To receive any questions or petitions from the public, or communications submitted by the Lord Mayor or the Chief Executive and to pass such resolutions thereon as the Council Procedure Rules permit and as may be deemed expedient.

(b) Petitions Requiring Debate

The Council's Petitions Scheme requires that any petition containing over 5,000 signatures be the subject of debate at the Council meeting. Three qualifying petitions have been received as follows:-

(1) Petition calling on the Council to install crossing at the junction where Castle Street/Waingate and Haymarket join

To debate an electronic petition containing 7,793 supporters (as at 25th January) calling on the Council to install crossing at the junction where Castle Street/Waingate and Haymarket join. The wording of the e-petition is as follows:-

"I am writing this petition to ask Sheffield Council to install traffic lights at the junctions in the Sheffield city centre. The same spot where Summer Lee Seymour lost her life in a collision with a bus along with her boyfriend, who is currently fighting for his life.

As a bus driver myself, this has been an accident waiting to happen for a long time. It really saddened me to hear of Summer's passing and I think that in respect of Summer, and for her boyfriend, Sheffield needs to do this to prevent any other lives at risk.

15 year old Summer Seymour had her whole life ahead of her. I didn't know her personally and neither do I know the family or her partner, but this beautiful girl lost her life and I think it could have been prevented had there been traffic lights and a pedestrian crossing installed. It is really bad driving round the city centre, especially in this area. I've come across lots of near misses myself and it won't be the last time if something isn't done about this soon.

So please do this in respect of Summer Seymour and her boyfriend. Please sign and share. We don't want anymore tragic accidents, please act now."

(2) Petition calling on the Council (acting as trustees of Graves Park) to protect the Park and not sell Cobnar Cottage

To debate an electronic petition containing 12,421 supporters (as at 25th January) calling on the Council (acting as trustees of Graves Park) to protect the Park and not sell Cobnar Cottage. The wording of the e-petition is as follows:-

"Cobnar Cottage in Graves Park is up for auction at the end of this month. If the Council (acting as trustees of the park) succeed in selling the cottage, it will break the covenants on Graves Park. This will put any of the rest of the park at risk of sale. It also puts at risk all the other covenants on property given to the people of Sheffield by J G Graves.

Graves Park does not belong to the Council, it belongs to the citizens of Sheffield.

In 2009 Sheffield City Council put all of the Graves Park covenants into one scheme, to protect all of the park and to stop any future disputes. By selling the cottage they are breaking their own agreements of just 6 years ago.

The latest proposed solution is that a stonemason has volunteered to live in the cottage and restore it to its former glory, using his skills. The Friends of Graves Park have agreed to fund his work (he would give his labour for free and would only need funding for raw materials). The stonemason would also like to run training for young people and workshops for the public. The cottage would remain within the Graves Park trust and in public ownership. This is the perfect solution to the fate of the cottage. The Council, however, see no value in a stonemason working in Graves Park and have rejected this proposal. They are determined to sell the cottage.

The Council says the people of Sheffield do not care about Cobnar Cottage and support its sale.

Act now! Sign this petition! Write to your local Councillors! Write to the leader of the Council! Write to your MP! Help us to protect the covenants before it is too late!

Support us in protecting Graves Park!"

(3) Petition to Save the Nether Edge Trees

To debate a combined paper and electronic petition containing over 6,450 signatures (as at 25th January - 3,650+ electronic and 2,800+ paper) requesting that, as an alternative to felling, sensitive engineering solutions be implemented in order to enable the long-term retention of trees in the Nether Edge area. The wording of the e-petition is as follows:-

"We, the undersigned, refute the assertion that the felling of trees in Netheredge, Sheffield, is necessary. Instead, we demand, and believe it imperative, that sensitive engineering solutions be adopted and implemented to enable the long-term retention of these trees.

Evidence indicates that such large trees contribute significantly to local climate regulation, filtration of atmospheric pollutants, sustainable urban drainage, biodiversity, ecology: health and wellbeing and amenity; through their beauty and our pleasure of its enjoyment, which enriches our lives.

So far between August 2012 and July 2015 2,019 trees have been felled across the city. The SCC argue that the trees are damaging the pavements and roads and are therefore are "dangerous and/or discriminatory to disabled people and those using pushchairs". We believe the damage is minor and does not significantly impair accessibility for disabled people, or the use of prams and pushchairs. It is our opinion that sensitive engineering solutions, such as pavement restructuring and localized remediation near trees, with kerb stones sculpted to accommodate root morphology, would represent a sustainable solution to perceived problems.

Loss of these trees would represent a significant loss of a valuable foraging resource for bees, bats, owls and many other insects and birds. Not to mention the emotional wellbeing of Sheffield's residents. Lines could be painted on the road to prevent parking under trees, thereby minimizing the risk of damage to vehicles, to a level firmly within the "broadly acceptable region" of tolerability.

SCC and Amey have pledged to plant small ornamental trees to "replace" the mature trees. These are not a replacement. Sapling trees cannot provide the same that mature trees can its impossible. Some of these trees are over 100 years old. It is ignorant to suggest that it is possible to just "replace" them.

Sub-veteran, mature trees represent our cultural heritage and are irreplaceable. We demand that alternative, sensitive engineering solutions be implemented as an alternative to felling.

Much of Netheredge is deemed a conservation area, these trees are an

invaluable part of Sheffield heritage and cannot be allowed to be destroyed.”

5. MEMBERS' QUESTIONS

- 5.1 Questions relating to urgent business – Council Procedure Rule 16.6(ii).
- 5.2 Supplementary questions on written questions submitted at this meeting – Council Procedure Rule 16.4.
- 5.3 Questions on the discharge of the functions of the South Yorkshire Joint Authorities for Fire and Rescue and Pensions – Section 41 of the Local Government Act 1985 – Council Procedure Rule 16.6(i).

(NB. Minutes of recent meetings of the two South Yorkshire Joint Authorities have been made available to all Members of the Council via the following link -

<http://sheffielddemocracy.moderngov.co.uk/ecCatDisplay.aspx?sch=doc&cat=13165&path=0>)

6. REPRESENTATION, DELEGATED AUTHORITY AND RELATED ISSUES

To consider any changes to the memberships and arrangements for meetings of Committees etc., delegated authority, and the appointment of representatives to serve on other bodies.

7. HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN, HRA BUDGET AND RENT INCREASE 2016/17

Report of the Interim Executive Director, Resources.

8. NOTICE OF MOTION GIVEN BY COUNCILLOR PAUL WOOD

That this Council:-

- (a) believes the Government's Housing and Planning Bill will lead to a reduction in the number of homes available at genuinely affordable rents at a time when Sheffield needs more;
- (b) deplores the decisions of the current Government and the previous Coalition Government to cut grant funding for new social housing;
- (c) opposes:-
 - (i) the Government's decision to allow private consultants to process and potentially determine planning applications, and believes locally elected representatives are the most suitable

people to deal with this; and

- (ii) the watering down of Section 106 and the broadening of the definition of 'affordable homes' to include Starter Homes, and is concerned that these changes are likely to produce fewer new homes at genuinely affordable rents in Sheffield;

(d) believes:-

- (i) children of tenants have rights and that the ending of home security for people upon the death of a parent is both ethically and morally unfair;
- (ii) limiting councils to giving tenancies of between 2 and 5 years maximum is unfair on tenants and detrimental to developing strong, safe and cohesive communities and a stable schooling environment for young people;
- (iii) believes the Right to Buy discounts for housing association tenants funded by the sale of high-value council housing is effectively a levy on the Housing Revenue Account and is detrimental to the housing needs of the City; and
- (iv) a couple earning £15,000 each should not be the target of re-assessment for higher market rents; and

(e) welcomes:-

- (i) the current Administration's commitment to increase Sheffield's council housing stock by 1,000 units; and
- (ii) the news that more than 100 new homes are to be built in the Manor area on brownfield land owned by Sheffield City Council and that more than 150 jobs will be created during construction.

9. NOTICE OF MOTION GIVEN BY COUNCILLOR JULIE DORE

That this Council:-

- (a) notes that Sheffield has an international reputation for steel making, and that steel remains a crucial part of the City's economy;
- (b) reiterates the motion passed in November calling on the Government to take action to support the steel industry;
- (c) believes that the Government's response to the job losses around the country have been completely inadequate and believes that the Secretary of State must urgently reconsider his approach;

- (d) deeply regrets the news announced earlier this month that Sheffield Forgemasters is to cut up to 100 jobs and extends full sympathy to everyone affected;
- (e) welcomes action taken by the present Administration to work at a city region level to try to extend the support packages that have been put together for Tata steel workers to anyone affected by job losses at Forgemasters and to do everything it can to put in place support to get people who are facing redundancy back to work;
- (f) reaffirms that Forgemasters is a world class company but needs urgent support and a level playing field with its international competitors; and
- (g) supports the Save Our Steel Campaign and calls on the Government to:-
 - (i) provide support for a business rate cut for the steel industry;
 - (ii) give the steel industry a break from green taxes and high energy bills;
 - (iii) take urgent action to stop the dumping of cheap Chinese steel;
 - (iv) make a commitment to use British steel for all major infrastructure and construction projects; and
 - (v) look to use British-made steel in all Government backed contracts.

10. NOTICE OF MOTION GIVEN BY COUNCILLOR PENNY BAKER

That this Council:-

- (a) notes that building has begun of the new Tinsley School on Tinsley Recreational Ground;
- (b) notes that this was the only publicly accessible green space in the Tinsley area and was a part of our city's heritage as the park that Gordon Banks, England's 1966 World Cup winning team goalkeeper played on as a child;
- (c) notes that there were alternative sites and options which could have been considered but believes the Administration refused to listen to public opinion;
- (d) believes that our city's green reputation and treasured open spaces

are not safe in the hands of our current Administration;

- (e) notes that last January, Ochre Dike Playing Fields, Waterthorpe was designated as a 'Fields in Trust' protected site to allow it to be further protected and managed as a public park and playing field in perpetuity; and
- (f) therefore calls on the Administration to:-
 - (i) award the remainder of Tinsley Recreational Ground 'Fields in Trust' status to protect this community asset from this current Administration and in perpetuity; and
 - (ii) resolve that not one blade of grass of designated public open space or park land in Sheffield will be sold off or developed further.

11. NOTICE OF MOTION GIVEN BY COUNCILLOR JULIE GLEDHILL

That this Council:-

- (a) extends its sympathy and support for the people across the country affected by severe flooding over Christmas and the New Year;
- (b) notes that flooding is becoming the new norm in Britain, and recalls the flooding of Sheffield in June 2007 in which two people tragically died and millions of pounds worth of damage and disruption was caused;
- (c) understands that Sheffield's geography makes it vulnerable to flooding, and recognises that the city is in need of extra flood defences to better protect homes and businesses;
- (d) therefore welcomes the current Administration's plans, developed in partnership with the Environment Agency, to develop a comprehensive flood management capital programme involving five new major schemes which will provide protection for 6,000 homes and more than 1,700 businesses;
- (e) is, however, concerned that the Government has so far earmarked only £23 million of the £43 million required to build the defences;
- (f) notes figures from the National Audit Office which show that investment in flood defences delivers £9.50 in benefits per £1 spent;
- (g) notes that the Leader of the Council has recently written to the Prime Minister and the Chancellor of the Exchequer calling on the

Government to meet the £20 million shortfall in funding so Sheffield can get the flood defences it urgently needs; and

- (h) notes that the current Administration has developed one of the largest flood protection programmes in the country and is committed to protecting Sheffield from flooding.

12. NOTICE OF MOTION GIVEN BY COUNCILLOR JULIE DORE

That this Council:-

- (a) recalls that:-
 - (i) the State Pension Age (SPA), created in the 1995 Pensions Act, set out incremental women's SPA rises from 60 to 65 to equalise with men's SPA; and
 - (ii) this was accelerated by the 2011 Pensions Act, so that women's SPA would increase to 65 by 2018;
- (b) welcomes the equalisation of the State Pension Age but is concerned that the acceleration of that equalisation, implemented by the Coalition Government and overseen by former Liberal Democrat Pensions Minister, the Rt. Hon. Steve Webb, discriminates against women born in the early 1950s, leaving them with inadequate time to make alternative arrangements and adversely affecting their retirement plans;
- (c) notes Steve Webb's admission to the Institute for Government in December that he made a "bad decision" on raising the State Pension Age; and
- (d) calls on the current Minister of State for Pensions to immediately introduce transitional arrangements to provide protection for women affected by equalisation of the State Pension Age.

13. NOTICE OF MOTION GIVEN BY COUNCILLOR COLIN ROSS

That this Council:-

- (a) notes that work has begun on Sheffield's new Chinatown development;
- (b) welcomes this development and believes that this is great news for Sheffield, which will bring £65 million of private foreign investment to regenerate part of the city and create 400 jobs;

- (c) believes that this is a great complement to the re-development of The Moor which was secured by the previous Administration and which is progressing at pace and on course for completion by the end of next year;
- (d) expresses disappointment at the rate at which the New Retail Quarter has progressed;
- (e) believes that the people of Sheffield have waited long enough for progress on the New Retail Quarter to be made; and
- (f) hopes that with the planning application submitted and a new developer soon to be announced there will be no further delays in the development.

14. NOTICE OF MOTION GIVEN BY COUNCILLOR BRIAN WEBSTER

That this Council:-

- (a) notes that the recent consultation on proposals for devolution of powers to the Sheffield City Region closed on January 15th;
- (b) notes that the consultation was only open for a period of roughly six weeks, that it was only late in this period that the consultation was publicised on the front page of the Council website, and does not believe this was sufficient to ensure a robust consultation providing the widest possible range of views from the people of the Sheffield City Region;
- (c) recalls that in a 2012 referendum the people of Sheffield voted decisively against the creation of the post of executive mayor for Sheffield City Council, and believes this shows strong strength of feeling across the city against centralising executive power in the hands of a single individual;
- (d) believes that while genuine devolution of powers to local authorities and cross-authority areas is an important objective in principle, the deal as proposed appears more concerned with seeking economic growth than with the genuine enhancement of local democracy;
- (e) therefore, calls upon the Administration to:-
 - (i) return to negotiations with the Chancellor of the Exchequer to make clear Sheffield City Council's opposition to the imposition of a mayor;
 - (ii) oppose, on behalf of the people of Sheffield, any devolution deal that includes as a prerequisite the creation of the post of Sheffield City Region Mayor; and
 - (iii) work with local authority leaders from across the Sheffield

City Region and across the North of England to secure a better deal for the people of Sheffield; and

- (f) directs that copies of this motion be forwarded to the Chancellor of the Exchequer, and to the leaders of each local authority in the Sheffield City Region.

15. NOTICE OF MOTION GIVEN BY COUNCILLOR JOHN BOOKER

That this Council:-

- (a) believes a relentless attack on Great Britain's coal and heavy industry continues unabated, and that the few remaining miners of this country, the salt of the earth, were brought to tears by the closure of Kellingley Colliery a week before Christmas 2015;
- (b) notes that Kellingley Colliery was the last deep coal mine operating in Great Britain, and is situated at Beal in North Yorkshire, three and a half miles east of Ferrybridge power station;
- (c) further believes "the powers that be" have now conspired to destroy our country's last remaining underground kingdom of coal;
- (d) also believes that, in effect, the badges and slogans that proclaim "Coal Not Dole" around Sheffield and in this Council Chamber have been washed away, like tears in the rain;
- (e) regrets that the island of Great Britain, which stands with enough coal under its ground sufficient for 500 years' use, now imports coal from all over the world;
- (f) believes that if Great Britain is to have energy security and cheap, plentiful, reliable sources of power, coal must be a part of the solution, and that it is a crying shame that more of the coal we use will now be mined from under some other nation's footprint instead of our own;
- (g) places on record its conclusion that politics is too important to be left in the hands of our current crop of national politicians; and
- (h) suggests that a copy of this motion should not be sent to the Prime Minister and the Secretary of State for Energy and Climate Change, for fear it would cause bewilderment and confusion.

16. NOTICE OF MOTION GIVEN BY COUNCILLOR MAZHER IQBAL

That this Council:-

- (a) condemns the Government's decision to abolish maintenance grants for lower income students and replace them with a loans system from September 2016;
- (b) notes that around 40% of students at Sheffield Hallam University are reliant on maintenance grants to help fund their studies;
- (c) is concerned that:-
 - (i) abolishing maintenance grants will make life harder for students from low income backgrounds, and could deter some from entering higher education; and
 - (ii) the Government's own Equality Impact Assessment reveals a risk to the participation of students from poorer backgrounds, women, BME students, mature students and disabled students;
- (d) recalls comments from the Rt. Hon. Lord David Willetts, former Universities Minister, in 2010: "Our proposals [tuition fee rise] are progressive because they help to encourage people from poorer backgrounds to go to university because of the higher education maintenance grant...";
- (e) agrees with Dapo Adaramewa, Sheffield Hallam Students' Union President, that turning the grants into loans "flies in the face of the poorer students who are being saddled with even more debt";
- (f) notes research from the Institute for Fiscal Studies which found that scrapping maintenance grants will mean the poorest 40 per cent of university students in England will graduate with debts of up to £53,000, rather than £40,500 at present;
- (g) believes that higher education should be accessible to all, including those from low income backgrounds; and
- (h) calls on the Secretary of State for Business, Innovation and Skills and the Education Secretary to reverse this decision.

17. NOTICE OF MOTION GIVEN BY COUNCILLOR COLIN ROSS

That this Council:-

- (a) notes that Sheffield is world famous for its pubs and real ale, and last year was named by the New York Times as the beer capital of Britain;

- (b) recognises the important role local pubs play in the life of our city by providing a community hub for residents to meet, relax, debate and do business;
- (c) notes the recent study by Oxford University for Campaign for Real Ale (CAMRA) which found that people who have a "local" pub are "significantly" happier, have more friends, better life satisfaction, and drink in moderation compared to those who haven't;
- (d) regrets the decline of community pubs in recent years and notes that last year, figures revealed 46 pubs had shut across Sheffield since 2010;
- (e) notes the recent rejection by this Administration of 9 applications to give some of our city's best known pubs Asset of Community Value status on the ground that they have no community;
- (f) believes that the Administration is being too stringent in its definition of 'community' and that a community can be defined other than by geography; and
- (g) calls on the Administration to support Sheffield's pubs by:-
 - (i) reassessing the definition of community that it uses for Asset of Community Value applications;
 - (ii) supporting community groups who wish to register their local pubs as assets of community value; and
 - (iii) amending local planning policies to stipulate that no pub will be allowed to change use unless it is demonstrated that continued trading is not economically viable and that the premises has been marketed as a pub unsuccessfully for a stipulated minimum period.

18. NOTICE OF MOTION GIVEN BY COUNCILLOR JACK CLARKSON

That this Council:-

- (a) asks what other country in the world would pay lawyers to persecute its own soldiers, our very own war heroes;
- (b) believes that the current practice of pursuing soldiers who have fought for this country in Iraq, Afghanistan and Ulster, whereby many soldiers have had investigators turn up at their home addresses asking questions on their door steps regarding their military actions, of men who were simply carrying out orders, is deplorable and is nothing more than a "witch hunt";

- (c) believes that this is beyond comprehension, and unless an individual has served on a battlefield/front, you cannot imagine what it must have been like to fight for your life, or to have lost a fellow comrade, shot or blown to pieces by an improvised explosive device (IED);
- (d) is concerned that Sergeant Alexander Blackman (Marine 'A') was sent to prison not by a British jury but by a military Court, and believes that if Sergeant Blackman had been judged by the ordinary public (i.e. a Jury) the result would have been somewhat different; Sergeant Blackman was prepared to die for his country, a man who signed up to be a soldier, who we expected to fight, and believes that the Government let Sergeant Blackman down, didn't support him as a soldier and has hung him out to dry; and
- (e) supports the release of Sergeant Blackman and will not rest until the "witch hunt" against our soldiers in the British Army comes to an end.

A handwritten signature in black ink, appearing to read "John Netherde", with a horizontal line underneath it.

Chief Executive

Dated this 26 day of January 2016

The next ordinary meeting of the Council will be held on 4 March 2016 at the Town Hall

ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

If you are present at a meeting of the Council, of its executive or any committee of the executive, or of any committee, sub-committee, joint committee, or joint sub-committee of the authority, and you have a **Disclosable Pecuniary Interest (DPI)** relating to any business that will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

You **must**:

- leave the room (in accordance with the Members' Code of Conduct)
- make a verbal declaration of the existence and nature of any DPI at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.
- declare it to the meeting and notify the Council's Monitoring Officer within 28 days, if the DPI is not already registered.

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. You have a pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period* in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

*The relevant period is the 12 months ending on the day when you tell the Monitoring Officer about your disclosable pecuniary interests.

- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority –
 - under which goods or services are to be provided or works are to be executed; and
 - which has not been fully discharged.

- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) –
 - the landlord is your council or authority; and
 - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.
- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -
 - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
 - (b) either -
 - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If you attend a meeting at which any item of business is to be considered and you are aware that you have a **personal interest** in the matter which does not amount to a DPI, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent. You should leave the room if your continued presence is incompatible with the 7 Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; and leadership).

You have a personal interest where –

- a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing (including interests in land and easements over land) of you or a member of your family or a person or an organisation with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the Authority's administrative area, or
- it relates to or is likely to affect any of the interests that are defined as DPIs but are in respect of a member of your family (other than a partner) or a person with whom you have a close association.

Guidance on declarations of interest, incorporating regulations published by the Government in relation to Disclosable Pecuniary Interests, has been circulated to you previously.

You should identify any potential interest you may have relating to business to be considered at the meeting. This will help you and anyone that you ask for advice to fully consider all the circumstances before deciding what action you should take.

In certain circumstances the Council may grant a **dispensation** to permit a Member to take part in the business of the Authority even if the member has a Disclosable Pecuniary Interest relating to that business.

To obtain a dispensation, you must write to the Monitoring Officer at least 48 hours before the meeting in question, explaining why a dispensation is sought and desirable, and specifying the period of time for which it is sought. The Monitoring Officer may consult with the Independent Person or the Council's Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Gillian Duckworth, Director of Legal and Governance on 0114 2734018 or email gillian.duckworth@sheffield.gov.uk.

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Agenda Item 3

Minutes of the Meeting of the Council of the City of Sheffield held in the Council Chamber, Town Hall, Pinstone Street, Sheffield, S1 2HH, on Wednesday 6 January 2016, at 2.00 pm, pursuant to notice duly given and Summonses duly served.

PRESENT

THE LORD MAYOR (Councillor Talib Hussain)
THE DEPUTY LORD MAYOR (Councillor Denise Fox)

1	<i>Arbourthorne Ward</i> Julie Dore Mike Drabble Jack Scott	10	<i>Dore & Totley Ward</i> Joe Otten Colin Ross	19	<i>Mosborough Ward</i> David Barker Isobel Bowler Tony Downing
2	<i>Beauchief & Greenhill Ward</i> Julie Gledhill Roy Munn Richard Shaw	11	<i>East Ecclesfield Ward</i> Pauline Andrews Steve Wilson Joyce Wright	20	<i>Nether Edge Ward</i> Nikki Bond Mohammad Maroof
3	<i>Beighton Ward</i> Helen Mirfin-Boukouris Chris Rosling-Josephs Ian Saunders	12	<i>Ecclesall Ward</i> Penny Baker Roger Davison Shaffaq Mohammed	21	<i>Richmond Ward</i> John Campbell Paul Wood
4	<i>Birley Ward</i> Denise Fox Bryan Lodge Karen McGowan	13	<i>Firth Park Ward</i> Sheila Constance Alan Law Garry Weatherall	22	<i>Shiregreen & Brightside Ward</i> Peter Price Sioned-Mair Richards Peter Rippon
5	<i>Broomhill Ward</i> Jayne Dunn Aodan Marken Brian Webster	14	<i>Fulwood Ward</i> Sue Alston Cliff Woodcraft	23	<i>Southey Ward</i> Leigh Bramall Tony Damms Gill Furniss
6	<i>Burngreave Ward</i> Jackie Drayton Ibrar Hussain Talib Hussain	15	<i>Gleadless Valley Ward</i> Steve Jones Cate McDonald Chris Peace	24	<i>Stannington Ward</i> David Baker Katie Condliffe Vickie Priestley
7	<i>Central Ward</i> Lewis Dagnall Robert Murphy Sarah Jane Smalley	16	<i>Graves Park Ward</i> Ian Auckland Steve Ayris Denise Reaney	25	<i>Stocksbridge & Upper Don Ward</i> Jack Clarkson Richard Crowther Keith Davis
8	<i>Crookes Ward</i> Rob Frost Anne Murphy Geoff Smith	17	<i>Hillsborough Ward</i> Bob Johnson George Lindars-Hammond Josie Paszek	26	<i>Walkley Ward</i> Ben Curran Neale Gibson
9	<i>Darnall Ward</i> Dianne Hurst Mazher Iqbal Mary Lea	18	<i>Manor Castle Ward</i> Jenny Armstrong Pat Midgley	27	<i>West Ecclesfield Ward</i> John Booker Adam Hurst
				28	<i>Woodhouse Ward</i> Mick Rooney Jackie Satur Ray Satur

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Nasima Akther, Olivia Blake, Terry Fox, Lynn Rooney, Martin Smith, Andrew Sangar and Zoe Sykes.

2. DECLARATIONS OF INTEREST

There were no declarations of interest by Members of the Council.

3. MINUTES OF PREVIOUS COUNCIL MEETING

RESOLVED: On the Motion of Councillor Pat Midgley, seconded by Councillor Gill Furniss, that the minutes of the meeting of the Council held on 2nd December 2015 be approved as a true and accurate record.

4. PUBLIC QUESTIONS AND PETITIONS AND OTHER COMMUNICATIONS

4.1 Public Questions

4.1.1 Public Questions Concerning Housing Service

Alistair Tice asked if a current housing job matched a Housing Plus role, within the current housing restructure, why was it the Council's view that TUPE (Transfer of Undertakings (Protection of Employment)) regulations did not apply?

Paul Page asked why the Council's Housing data for the South East Housing Plus pilot showed very little change in satisfaction results at a time when managers had emailed one another stating that the satisfaction statistics have never been so low?

Matthew Green asked how the Council could justify a restructure in housing (MER 198 Housing Plus) that resulted in a £5,000 pay reduction for a Community Safety Warden and a £10,000 increase for a Housing Area Manager.

Councillor Jayne Dunn, the Cabinet Member for Housing responded that housing services had been brought back into the Council and were now being remodelled and restructured. TUPE regulations did not necessarily apply in circumstances such as these where a service was being remodelled.

Councillor Dunn stated that with regard to the data for the South East Housing Plus pilot, she had not seen the emails to which the question referred and said that if these were forwarded to her, then she would be able to provide comment. The statistics had been independently audited and had been favourable.

Councillor Dunn said that as part of the restructure, community safety functions had been brought together with the Housing job roles and were considered in line

with other similar Council jobs. With regard to the grading system, this was agreed by the Council and the Trades Unions. In circumstances where an employee did not feel that their new role had been graded correctly, they would be able to request a grading review when the new structure was implemented. Pay protection for two years would be available for employees and if in some circumstances people were still at a financial disadvantage they would be supported in finding another job role. Certain manager roles were to be paid more because of the increased responsibilities of the post.

4.1.2 Public Questions Concerning Highways Trees

Dave Dilner referred to the Hot Seat show on BBC Radio Sheffield and stated that Councillor Dore had said on that radio programme that the Council had “set up a Tree Panel, people within the trees campaign will contribute to it”. He said that he had seen no evidence of people having been asked to contribute and that answers to questions put concerning the Panel had not been forthcoming. He asked to what the Leader had been referring.

Calvin Payne referred to comments made by Councillor Terry Fox, the Cabinet Member for Environment and Transport which suggested that there had been reports of campaigners having tried to stop felling teams from removing dangerous trees and that they were asked to desist from doing so as they might put themselves, the public and felling teams in danger. He asked for details of where this had happened and for a possible apology for inferring that campaigners had put people in danger.

Helen McIlroy made reference to an article in the Star newspaper, which included a statement by Councillor Terry Fox concerning the solution of using flexible paving which it was stated had helped to retain trees on 143 occasions. The Star had asked Streets Ahead how many trees had been saved by alternative methods and the answer was that the information was not held. She asked where Councillor Fox obtained this information; why it was withheld by Streets Ahead and whether a list of the 143 trees could be made available and if not, why not?

Councillor Julie Dore, the Leader of the Council, responded that regarding her comments on the Radio Sheffield programme, she also had a transcript. She was also not aware who the members of the Tree Panel were. As regards the independence and make-up of the Panel, Andy Buck was the Chair and there would also be a tree expert, a health and safety expert and a lay member. The Panel’s membership was to be announced next week. An inaugural meeting at which the Panel members were able to meet and greet each other had taken place.

The Council’s strategy for highways trees was (rather than being in a single bound document) within the highways contract. If a tree was categorised within one of the ‘six ds’ then it would be recommended to be felled. As a result of the campaign and other comments that had been received, it was decided to set up an Independent Panel who would consider trees in the 4 categories other than those that were dead or dangerous, which would be felled. This would come into effect in circumstances where 50 percent of people on a street affected by

potential tree felling decided to refer the matter to the Panel, which would provide a second opinion.

With regard to the engineering works which had resulted in retention of 143 trees, Councillor Dore stated that she could not provide an answer as to the exact location of the trees. There was a possibility that some trees could be saved, even if they fell within the six ds criteria. The option of flexible paving was one of 25 engineering options which could be used to retain trees.

Councillor Dore said that people were asking for trees to be retained and others were asking for trees to be removed and some such requests had been made via the City's Members of Parliament and local Councillors. The trees which had been retained had been as a result of minor cost effective measures.

The Panel would consider the trees, including visits to locations at which 50 percent of people on a particular street had requested a second opinion regarding trees to potentially be felled and would propose options for the Council with a view to potentially retaining the trees. However, if the cost of such measures to retain trees was high, the Council would make a decision as regards affordability.

Councillor Dore stated with reference to the statement from Councillor Fox quoted in the Star newspaper and concerning reports of campaigners having tried to stop felling teams from removing trees, that Councillor Fox would have made a statement based upon information that had been given to him. Councillor Dore stated that she would ask Councillor Fox about this matter when he returned.

4.1.3 Public Questions Concerning Mental Health and Learning Disabilities

Ivan Stark referred to the treatment of people with mental health conditions in Doncaster and expressed concern as to the conduct of local authorities and the legal system. He said that people needed to look at mistakes which had occurred and bring perpetrators of abuse to justice.

Adam Butcher referred to the independent review relating to Learning Disability and Mental Health at the Southern NHS Foundation Trust during April 2011 to March 2015. He asked what the Council was doing to make sure the same problem did not occur in Sheffield.

Councillor Mary Lea stated that this was a most important issue. The report of the independent review regarding the Southern NHS Foundation Trust and concerning unexplained deaths, contained a number of recommendations regarding failings and problems. These included the quality of investigations and reports, lack of leadership, the length of time taken to complete investigations, a failure to involve families and failure to implement recommendations.

This presented an opportunity to learn from the experience the Southern NHS Foundation Trust. The Council had met with the City's Clinical Commissioning Group and Health and Social Care Foundation Trust and a discussion would also take place at the next safeguarding meeting. The recommendations of the review into the Southern NHS Trust would be examined with a view to ascertaining how

Sheffield compared and how services might be improved. It was important to consider the extent to which people with mental health conditions or Learning Disabilities were valued and look at the culture of the appropriate organisations in this regard.

Councillor Lea said that she could not comment upon circumstances in Doncaster but in Sheffield, aspects of where services had failed were examined and the Council and other organisations wished to ensure that services were of the highest quality. Where abuse occurred, this needed to be reported and it would be investigated and referred to the Safeguarding team. Staff working with people who had mental health conditions or those with Learning Disabilities had also to understand their responsibilities. Any problems which were highlighted had to be investigated and the person affected should get proper redress.

4.1.4 Public Questions Concerning Devolution Consultation

Nigel Slack stated that the public consultation on the proposed Devolution deal for the City region was to end in 9 days' time. He said that despite repeated requests that the consultation be placed on the front page of the Council website, this had not happened. He asked whether this was because the Council did not feel the consultation was important enough or it was worried about a negative response.

He said that the consultation survey itself offered a space to express what were felt to be the benefits of the proposal but no space to comment on the drawbacks of the deal. He asked whether this was an oversight or a deliberate attempt to emphasise the positive over the negative.

Mr Slack referred to the Assembly North academic research project, headed by Professor Matt Flinders of Sheffield's Crick Centre. He said that the public in that exceptionally well informed and demographically balanced group, from across South Yorkshire, voted against accepting the deal as it was drafted. He said that since then, the Council's Senior Officer and some Councillors had been undermining the quality of that research, in defence of the devolution proposal. He asked if the current public consultation came out against the devolution proposal, how would the Council respond.

Mr Slack said that the consultation finished on the 15th January and the Council, meeting to make the decision on the proposal for Sheffield would, presumably, be the meeting on 3rd February. He asked when the results of the consultation would be available to Councillors and to the general public.

Councillor Julie Dore, the Leader of the Council, stated that the consultation was on the Council website and a link was also provided to the consultation survey. Councillor Dore stated that she believed that there was a place in the survey to enable people to make comments and people had informed her that they had done so.

As regards the Assembly North Research Project, Councillor Dore said that she was unsure as to whether Mr Slack was referring to the event held relating to that project that had been attended by invite only; or to the Overview and Scrutiny

Committee meeting held on the subject of devolution that had been held in public. She said that she believed no attempt had been made to undermine the Crick Centre project, to which the City Council had contributed.

The consultation concerning devolution ended on 15 January 2016 and it was proposed that the matter was considered by Council at its meeting on 3 February. However, the Administration would not propose that any proposal or deal was signed until the conditions that had been set were met. These conditions included the constitutional issue concerning the power held by the elected Mayor and the Combined Authority Members in any majority vote where the elected mayor had a right of veto, which the Administration had said that it could not support; and the potential amendment to legislation regarding the ability of district councils to join as full constituent members of the City Region. The matter would be brought to Council at the point at which the conditions were met. If the issues were not resolved by the time of February Council, the issue would not be considered at that time.

4.1.5 Public Question Concerning Housing

Nigel Slack commented that the news of the new Council housing being built in Sheffield was a welcome step and asked what will Council do to prevent this housing becoming subject to what he termed, the predations of the 'Right to Buy' scheme?

Councillor Jayne Dunn stated that the Council would look at potential solutions in relation to the Housing Bill so as to ensure that viability was built into the development of new housing. There was no precise detail at this point in time. However, when more detail was available, a policy could be developed. For example, it was not yet known what the Government classed as 'high value' housing. Councillor Dunn stated that social housing provision was very important.

4.1.6 Public Question Concerning Answers to Questions

Martin Brighton asked for the Chamber to be informed of what had been done by the Council about the issues raised in his questions at full Council last December and if nothing had been done, an explanation of why not.

Councillor Julie Dore, the Leader of the Council, responded that she had looked at the minutes of the previous Council meeting and she could not find a reference to an issue which might be outstanding from the responses given to Mr Brighton's questions and it wasn't clear to which question he had referred. She said that Councillor Mary Lea had given an extensive response regarding the prevention of winter deaths. If Mr Brighton wished to point out where action had not been taken by the Council, Councillor Dore asked that he inform the Secretariat accordingly.

4.1.7 Public Questions Concerning Fracking

Martin Brighton asked for the Council to state its position on fracking and whether the Council would have genuine and meaningful consultation with potentially affected citizens before making any decisions about individual fracking drills?

Councillor Julie Dore, the Leader of the Council, stated that the Administration of the Council was opposed to fracking and this would be subject to any further evidence that would cause it to change that position.

4.1.8 Public Questions Concerning Racism and Ethnicity

Martin Brighton asked that whilst in any democracy there is a tolerance for those with whose views we might not agree, where does this Council draw the line on racism? He asked, does this Council tolerate racism among the groups it supports and does this Council have any policy for Council officers when faced with racist individuals at Council events?

Mr Brighton also asked:

- 1 does this Council condone, at any level, the arbitrary ceding of advantage to any ethnic group above that of any other ethnic group?
- 2 Does this Council support any group that seeks to gain advantage of one ethnic group over any other ethnic group?

Councillor Sioned Mair Richards, the Acting Cabinet Member for Neighbourhoods stated that she did not believe there should be any tolerance regarding racism and she did not expect the City Council to tolerate racism in respect of any groups or organisations which the Council supported. Councillor Richards said that she would expect Mr Brighton to contact her if there were any such examples of racism to report.

Councillor Richards stated that in circumstances when it was safe to do so, she would want people to challenge racism. However, if it someone did not believe it was safe to challenge behaviour, then they should withdraw from the situation and take the matter up afterwards. The Council would not condone the ceding of advantage to any ethnic group and did not support any groups that would cede advantage. However, if Mr Brighton was aware of an instance of such practice, Councillor Richards asked that he contact her.

4.1.9 Public Questions Concerning Community Volunteers

Martin Brighton asked, where this Council has been informed of unjustified sanction and prejudice placed upon community volunteers, and has even agreed that the reasons for the sanctions were unjustified, where is the justification for continuing the prejudice and sanction?

Councillor Julie Dore, the Leader of the Council, responded that the Council did not prejudice and/or apply unjustified sanctions to any community volunteers.

4.2 Petition

4.2.1 Petition Requiring Debate Requesting the Council to Open Empty Buildings as Winter Shelter for the Homeless

The Council received an electronic petition containing 6,865 signatures requesting the Council to open empty buildings as winter shelters for the homeless. The Council's Petitions Scheme required that any petition containing over 5,000 signatures would be the subject of debate at the Council meeting. The wording of the petition was as follows:-

"To: Sheffield City Council

Follow the lead of Ryan Giggs, Gary Neville and Manchester City Council and open empty buildings to our homeless this winter.

Why is this important?

For people in one of the wealthiest societies that has ever existed to be sleeping in the open in winter is inhumane. It's also inexcusable when we have so many empty buildings."

Representations on behalf of the petitioners were made by Chris Dunlop who informed the Council that he had begun the petition in connection to rough sleepers and as a member of the campaign group, 38 Degrees. A similar petition had been organised in Manchester and Manchester City Council had opened a disused library building in Hulme to be used for people who were rough sleepers. Other local authorities had been asked to do the same. Mr Dunlop explained that he had been surprised at the large number of signatures which the petition had attracted. On 5 November, the Sheffield Star had also published an article on the subject and Radio Sheffield also ran a piece, which he believed had increased the number of signatories. It was clearly something about which people were concerned.

Mr Dunlop said that he had received a prompt response to the issue from Councillor Jayne Dunn, the Cabinet Member for Housing which had said that the number of rough sleepers in Sheffield was relatively small, they were known to the authorities and agencies and the total number of people had declined and that he was not in a position to evaluate the response. However, he felt that in Sheffield there was more evidence of people who appeared to be rough sleepers.

In accordance with Council Procedure Rule 13.1 (b), the Cabinet Member for Housing responded to the petition, following which the Shadow Cabinet Member for Housing spoke on the matter.

Councillor Jayne Dunn, the Cabinet Member for Housing, thanked Mr Dunlop and the petitioners for bringing the matter to Council and for raising the issue of rough sleeping. She said that homelessness was something that was very close to her heart, and something that she had brought to Council on a previous occasion.

Councillor Dunn said that she had in the past been made homeless and referred to the fear and panic that she felt including that she might have lost her son and that people would judge her. She said that as a result of her experience, she had fundraised for homeless organisations and also raised the issue of homelessness.

As Cabinet Member, Councillor Dunn stated that she was in the position to influence change and implement policies to make sure that everything was being done to protect, support and advise people who were at risk of becoming

homeless or had become homeless.

Councillor Dunn referred to the impact of welfare reforms and to work which she was doing alongside the Cabinet Members for Neighbourhoods and Public Health and Equality and the relevant specialist teams concerning improvements to the City's approach.

Research had shown that prevention and intervention was the best way forward. Sheffield's Roundabout began a homeless prevention service in 2014, which had been very successful and Councillor Dunn said that she had met many of the young people there and had seen the difference this approach was making.

The Council had recently held an anti-begging campaign in the City, which was fronted by an ex street drinker, asking people not to buy people who were begging a sandwich or a hot drink or give them money, which might be difficult for people.

Organisations like the Archer Project and the Broomhall Breakfast could provide food and warm drinks and also help people receive help with such issues as mental and physical health issues and addiction and support and advice on applying for benefits and housing.

The Council also chaired a multi-agency group where each individual rough sleeper was discussed and an action plan put into place. The rough sleeping service through Turning Point, focused on securing permanent accommodation, and identifying and supporting people sleeping rough. The service also offered practical advice to homeless and vulnerable people and food, clothing, shower and laundry facilities as well as access to healthcare professionals.

Councillor Dunn referred to a report received about a man who just before Christmas had been found rough sleeping around Park Square Roundabout. The Council's team went out immediately and Turning Point found him and his dog somewhere to stay with the Salvation Army.

Councillor Dunn said that she had telephoned Mark, who reported the incident via a video on Facebook, to thank him. During the conversation it became apparent that he wasn't aware of how much Sheffield did to help those who were homeless and that he had made the same assumptions that many of us do. Mark was so inspired that he had asked to volunteer at one of the agencies.

Sheffield had seen a decline in rough sleepers in recent years and there were a number of mechanisms in place to identify people who found that they had to sleep in doorways and on the streets. There was a severe weather strategy when temperatures were predicted to fall below zero for 3 days or more and on the first day, facilities were opened to accommodate people.

Councillor Dunn stated that she had joined the rough sleeping team to see for herself how it worked and had been impressed by the team's knowledge, expertise and dedication. It was recognised that it was not enough just to put a roof over someone's head, but that relevant groups needed to be brought together so that they were not working in isolation.

Councillor Dunn said it was right that the petition had been brought to Council and that people are outraged by homelessness. She expressed a hope that people were reassured that Sheffield provided sustained professional support to help stop the repeat cycle of homelessness, and that there were sufficient strategies in place which did not necessitate opening up empty buildings.

Councillor Dunn paid tribute and thanked organisations such as the Archer Project, the Salvation Army, Harp, Turning Point and Roundabout and everyone who volunteers, fundraisers, and had signed the petition in order to ensure that homelessness and rough sleeping were treated seriously. She also invited the lead petitioner to come out with her and the rough sleeping team and provide comments on how the City could improve its approach.

The Shadow Cabinet Member for Housing then spoke on the matter and Members of the City Council then debated the matters raised by the petition, as summarised below:

The charities and voluntary organisations that worked to help vulnerable people were to be thanked and congratulated. The cross-service approach was part of the solution and would include agencies such as the police, voluntary sector organisations and health services.

A lot of Members had been to organisations such as the Archer Project and had slept out to raise money. The Council had implemented changes, strengthened policy and made a difference. Roundabout included support for younger people aged 16 to 17 years who presented themselves and needed accommodation. In addition, no family presented as homeless was put into bed and breakfast accommodation. There was support available to rough sleepers from charities and voluntary and faith organisations. These included the Salvation Army, St Wilfrid's and the Archer Project. The reasons for rough sleeping were diverse and might include drugs or alcohol or family related matters.

It was important that the issue of rough sleeping was raised, particularly in a relatively wealthy society. In one experience sleeping out for charity and to increase awareness, even during the summer, it was evident that people experienced noise and felt vulnerable. People who were homeless might value themselves so little that they cease to believe in their own self-worth or felt that they were undeserving. The Archer Project helped people to build their confidence and restore self-worth. People may look back and realise how hard they had fallen, which might lead them to a breakdown. It was important that people became involved in the issue of homelessness through such organisations and helped to fundraise.

A national register would help to identify people who had become homeless and enable them to obtain services. The organisation, Shelter had produced a report on empty homes, which should be brought back into use as a statutory duty. There were increasing waiting lists for social housing and the receipts from right to buy were not reinvested into housing provision.

The identity of people in the City who were rough sleepers was known and action was taken by rough sleeper services. Assumptions may be made about the circumstances of individuals who were rough sleepers, for example that they were homeless, when that may not be the case. It was good to know that people did care as demonstrated by the petition. The Council and other agencies wished to work with and support people who had lost their homes. People faced a range of problems, including family circumstances, mental ill health, domestic abuse and drug and alcohol problems. Prevention was the main way to avoid homelessness and Housing Solutions and other organisations provided accommodation to help people to retain tenancies where they had challenging circumstances such as mental health problems.

Homelessness was a symptom of deeper problem and providing a home was sometimes not enough for people with complex needs, for example multiple debt, or if they had lost confidence and the ability to sustain a tenancy. It took time for people to regain confidence and work through such difficulties. In some cases, a property might be taken over by drug users and an individual may sleep rough just to get away from that situation. The path to enable people to sustain a stable home needed to be considered along with a strategy. Supported tenancies for example may help to support people by providing furniture and giving people less to worry about. The idea of a national register was potentially a good one, but would be impossible in practice. The current programme of welfare reform also had an adverse effect the situation as regards homelessness and rough sleepers.

It was suggested that the issues of homelessness and rough sleeping were referred to a scrutiny committee, which would increase Members' knowledge and understanding and also increase understanding of what the Council was doing in this regard and could also identify improvements. The petitioners might also be encouraged to continue their campaign and to direct those who had signed the petition to organisations which worked to stop rough sleeping.

Homelessness and rough sleeping involved different factors. Through organisations including the Archer Project and the Salvation Army, people could be helped to move out of the problems which had been overwhelming to them. The petition had raised awareness and understanding. A problem was that putting a roof over someone's head may not be a suitable or sustainable solution. The charity Stopgap provided emergency accommodation for rough sleepers especially during winter and had admitted people to short term accommodation.

Whilst the Council was able to make sure that people had warm accommodation during the winter, some people, for complex reasons, were difficult to accommodate. The Archer Project and the St Wilfrid's day project were able to help people. St Wilfrid's was fundraising to enable the development of a residential project to support people who were homeless and vulnerable. Sheffield should be proud of the fact that there are people in the City who give help to others.

The condition of homeless people or rough sleepers locally was a reflection of the national scene. The support was welcomed of organisations such as Ben's Centre which provided a day service to Sheffield's street drinkers and the police had been

supportive of the initiative. Some people had tragic lives and it was not always easy for others to be sympathetic to rough sleepers. The long term effect of the Government's social and housing policies remained to be seen.

Opening accommodation for people might not always be effective. The Council had a role in supporting the voluntary organisations that helped to provide support to people. It was necessary for support organisations to get to know people who might have become detached from society in some way. Improvements may be possible in the approach to dealing with the issue of rough sleepers and homelessness and the matter should be considered by a Scrutiny Committee.

The lead petitioner, Mr Dunlop, exercised a right of reply. He commented on the genuine expressions of concern and knowledge evident in the debate. He accepted that opening empty buildings may not be effective. However, he was pleased that the petition was evidence that people did care and said he would provide the details of relevant voluntary organisations to those who had signed the petition.

Councillor Jayne Dunn the Cabinet Member for Housing, responded to matters which were raised during the debate. She thanked Members for contributing to the debate and commented that she felt the Council had come together on this issue. She welcomed that awareness regarding the issue of homelessness had also been raised by the media. She said that she had participated in a sleep-out during the winter and had spoken with a young man who had said that he did not deserve to go home for Christmas. Organisations such as Roundabout helped to build people's self-esteem and it was also important that prevention and intervention strategies were in place.

The outcome of the debate on the petition was as follows:-

It was moved by Councillor Jayne Dunn, seconded by Councillor Mazher Iqbal, that this Council:-

- (a) welcomes the work taking place across the city to tackle homelessness, and the concerns of local people on this issue; and
- (b) understands that because local services are able to meet demand for homelessness services at present, there is no need to open up empty buildings for rough sleepers, but if this situation was to change in future the Council would consider all options, working alongside its partners, which could include opening empty buildings.

Whereupon, it was moved by Councillor Shaffaq Mohammed, seconded by Councillor Colin Ross, as an amendment, that the Motion now submitted be amended by the addition of the following paragraph (c):-

- (c) nevertheless, requests that a report on the issue of support for rough sleepers in the city be submitted to the relevant Scrutiny and Policy Development Committee for consideration.

On being put to the vote, the amendment was carried.

It was then moved by Councillor Jack Clarkson, seconded by Councillor John Booker, as an amendment, that the Motion be amended by the deletion of Paragraph (b) and the substitution of a new paragraph (b) as follows:-

- (b) the relevant Scrutiny Committee should meet as a matter of urgency to consider the matters raised by the petition and that empty buildings for rough sleepers be made available at this time.

On being put to the vote, the amendment was negated.

The original Motion, as amended, was put as a Substantive Motion in the following form and carried:-

RESOLVED: That this Council (a) welcomes the work taking place across the city to tackle homelessness, and the concerns of local people on this issue;

- (b) understands that because local services are able to meet demand for homelessness services at present, there is no need to open up empty buildings for rough sleepers, but if this situation was to change in future the Council would consider all options, working alongside its partners, which could include opening empty buildings; and

- (c) nevertheless, requests that a report on the issue of support for rough sleepers in the city be submitted to the relevant Scrutiny and Policy Development Committee for consideration.

5. MEMBERS' QUESTIONS

5.1 Urgent Business

Councillor Ian Auckland asked questions relating to urgent business under the provisions of Council Procedure Rule 16.6(ii), as follows:-

Is the Cabinet Member aware that a petition asking the Council, as charity trustee, not to proceed with the sale of Cobnar Cottage in Graves Park has attracted over 4000 signatures in just two days?

So as not to pre-empt a debate at Council on the petition, will she withdraw the cottage from auction sale which is due to take place on Tuesday 26 January?

Councillor Sioned Mair Richards, the Acting Cabinet Member for Neighbourhoods responded to the questions. She stated that she was aware of the petition and its content and of the views of the Friends Group and others concerning Cobnar Cottage. The cottage was located outside of the boundary of Graves Park. Discussions concerning the cottage had taken place over two years and the

matter had been considered on several occasions by the Council's Cabinet and relevant Scrutiny Committee. The proceeds from the sale of the cottage would be invested in improvements to Graves Park.

The Council had consulted the Charity Commission, which supported the right of the Council to sell the property and reinvest the proceeds in the Park. A survey of users found that 84 percent of respondents supported the proposal to sell the cottage and to use the proceeds for the Park. This was an independent survey by Sheffield Hallam University recommended by the Charity Commission. It was not the case that the sale of Cobnar Cottage would lead to further sale of parkland, as had been claimed by the Friends Group.

Councillor Richards stated that she did not intend to stop the sale of Cobnar Cottage and what had been agreed with the Charity Commission. She re-stated that the money raised from the sale would be wholly invested in Graves Park.

(Notes: 1. Councillor Auckland raised a Point of Order in relation to the response from Councillor Richards and concerning a factual inaccuracy related to the physical boundaries of the Park.

2. The Chief Executive has since ruled that there was not a valid point of order for factual inaccuracy. The statement that the cottage was not within the Park boundary is accurate. However it is acknowledged that the Cottage is in fact within the defined area of the Graves Park trust).

5.2 South Yorkshire Joint Authorities

- 5.2.1 Councillor Colin Ross asked questions relating to the South Yorkshire Fire and Rescue Authority. (a) He referred to the meeting of the Authority's Audit Committee at which a recommendation had been made concerning the term of office for chairs of the Authority's sub committees or boards. He asked why such a condition could not be applied to the Fire Authority as a whole. (b) Councillor Ross referred to the report concerning the review of overtime payments and actions of the Chair of the Fire Authority in relation to the overtime payments. He asked whether Councillor Richards would support a resolution calling for the resignation of the Chair of the Fire Authority.

Councillor Sioned Mair Richards, responded in her capacity as Chair of the Audit Committee of the South Yorkshire Fire Authority. She said that it was convention that the Chair of the Fire Authority was held by one of the four constituent South Yorkshire Authorities. The current Chair was a Barnsley Councillor. How this might change was a matter which would be discussed with the South Yorkshire Local Authorities.

She stated that Counsel's opinion was that the actions of the Chair were lawful. The amounts which had been paid in overtime were voluntarily being repaid by three of the four recipients, as had been requested by the Fire Authority's Audit Committee. As the payment of the overtime had been lawful, its repayment was a voluntary act.

- 5.2.2 Councillor Shaffaq Mohammed asked whether it was felt that the internal review of the matter of overtime payments by the Fire Authority was sufficient given that the Chair of the Fire Authority was a Barnsley Borough Councillor.

Councillor Sioned Mair Richards responded that the Internal Audit function was absolutely sound and was bound by the CIPFA and Internal Audit codes which were applicable to Internal Audit in Barnsley and elsewhere.

Councillor Shaffaq Mohammed asked whether, Councillor Richards, as Chair of the Audit Committee, had opportunity to ask questions of the Chair of the Authority and if other Councillors also had that opportunity.

Councillor Sioned Mair Richards responded that everyone had the opportunity to ask questions at the meeting of the Fire Authority. It was for other members to explain if they had not asked questions at the meeting.

- 5.2.3 Councillor Roger Davison asked when the matters relating to overtime payments to senior officers of the Fire Authority first came to the attention of the Fire Authority?

Councillor Sioned Mair Richards stated that the matter first came to the attention of other Members of the Fire Authority in August 2015. As Chair of the Authority's Audit Committee, she commissioned a report to look at the issue and this was a comprehensive and detailed report produced by Internal Audit in Barnsley. 19 recommendations had been made and the Audit Committee would work on each of them. The first of the recommendations concerned a review of decision making processes. It was not felt that the processes had not been sufficiently robust or transparent and the objective now was to have greater transparency and openness. The aim was to ensure that the previous process used regarding the overtime payments could not happen again and the recommendations would be enacted. Recommendations would be monitored as a standing item on Audit Committee agendas and working parties would be active in between Committee meetings.

There were no questions relating to the discharge of the functions of the South Yorkshire Joint Authority for Pensions under the provisions of Council Procedure Rule 16.6(i).

6. REPRESENTATION, DELEGATED AUTHORITY AND RELATED ISSUES

RESOLVED: On Motion of Councillor Pat Midgley, seconded by Councillor Gill Furniss, that it is noted that the Senior Officer Employment Sub-Committee, at its meeting held on 25 th November 2015, appointed Greg Fell to the post of Director of Public Health, and that Mr. Fell will start in post on 22 nd February 2016.

7. SHEFFIELD'S ECONOMIC NARRATIVE AND HS2

The Council received a presentation from Simon Green, the Executive Director, Place Portfolio, entitled *Sheffield's Economic Narrative and HS2*.

Mr Green outlined the global trend towards people choosing to live and work in cities and explained that the Northern Triangle of Greater Manchester, Sheffield City Region and Leeds City Region could be the future economic core of what was referred to as the Northern Powerhouse. Sheffield was the main economic driver of the Sheffield City Region and, within the City Region, 70 thousand more jobs would need to be created to narrow the gap with other parts of the country. In Sheffield, the identified growth sectors (in terms of additional jobs) were: Advanced Manufacturing, Health Care Technologies, Financial, Professional and Business Services and Creative and Digital Industries.

Sheffield City Centre was essential to unlocking economic growth in the City Region and its future development would require integrated infrastructure to enable people to connect to the known key growth areas across the City Region, whether it was by metro, road or rail. The City Centre needed a transport infrastructure to take cognisance of skills, inward investment and business growth. The current infrastructure provision did not support the City Region's ambitions for growth and the plans for future rail services also fell short of the City Region's vision. This included the location of the HS2 (High Speed rail) station as well as proposals for the integration of HS2 and Northern Powerhouse Rail (NPR), Midland Mainline electrification and future services on the Hope Valley line.

Mr Green set out a comparison of the proposed location of the HS2 station and NPR at Meadowhall and the alternative scenario of locating the HS2 and NPR station in Sheffield City Centre, at Victoria. It was the case that only a City centre location could provide comprehensive City region connectivity and strategic national connectivity and would act as a catalyst, reinforcing and accelerating further economic growth.

In conclusion, Simon Green outlined the proposals for transport infrastructure solutions, which included commitment to a HS2 station located in Sheffield City Centre and NPR from Manchester to Leeds and Sheffield city centres.

Members of the Council asked questions and commented on the issues in the presentation and responses were given, as summarised below:-

There was a clear, evidence based rationale for locating the HS2 station in the City Centre, including supporting infrastructure for growth of the economic sectors as outlined in the presentation. How would this also deliver more for the City Region as a whole? This concerned the nature of employment which was concentrated around hubs and the ability to connect and interact with other hubs and bring about an expansion in high value employment, for example in professional and business services and which would not be brought about by locating the HS2 station in Meadowhall.

Centres of large cities had a driving economic effect which could not be replicated.

What more could be done to put a compelling case for the location of the HS2 station in Sheffield City Centre? There was a case to be made for Sheffield as the driver of economic growth in the City Region and where growth sectors would be located and growth would occur. Sheffield was also geographically central to a City Region, which included Chesterfield and Derbyshire Dales. If all of the local authorities in the City Region supported a HS2 station located in Sheffield City Centre, it would be most welcome. However, the fact that all of them did not was not sufficiently material to look at Meadowhall as a preferred location. The decision was one which needed to be properly based on business and economic factors.

Financial, digital and creative employment of high value was likely to occur in the City centre. Was the business community lobbying for a city Centre HS2 station? The success for the Sheffield Retail Quarter would also depend upon the growth of such employment sectors in the City centre. The Private sector had fully backed the position taken by the Council as regards the location of a HS2 station and they had accelerated their own lobbying of Government. The City's universities and other large employers and the Chamber of Commerce were also supportive. The Sheffield Retail Quarter was needed and was being worked upon. It was not dependent on HS2. However, if the HS2 station was located in the City Centre, it was beneficial for the feasibility of both the Sheffield Retail Quarter and subsequent retail or leisure developments.

A strong case had been made regarding the City centre location of the HS2 station and the Government would make a decision regarding both the station and Transport for the North. Could the main outputs of Transport for the North be outlined? The objective was to link city centres of Manchester, Sheffield and Leeds by rail with journey times of 30 minutes. Options included use of the Hope Valley line, the alignment of rail track with Hope Valley route or a tunnel under the Peak District. The latter was the preferred route as it was dedicated, non-stop and utilised some existing infrastructure.

Reference was made to possible options which included the Woodhead Tunnel and Glossop and it was confirmed that all options were being considered.

The universities were important and both were supportive of the Sheffield position and had been part of the lobbying of Government. It was crucial to the international position of the universities to have a city centre HS2 location.

Leeds had been successful in changing proposals in relation to the location of its HS2 station and there was good evidence in relation to Sheffield of politicians at both local and national level working together regarding the location of the HS2 station. The idea of a HS2 station hub at Victoria would also be beneficial to patronage at Doncaster Airport and the businesses located at the site of the former Sheffield Airport.

As regards the impact of austerity and potential benefits of investment in the City region, it would be better for people in the City Region in relation to employment if the Region was able to generate an additional £7.6 billion GVA (Gross Value Added).

In response to a question concerning rail freight, it was confirmed that freight was part of one of the Transport for the North work streams and it was recognised that connections to the ports was important, concentrating on where there would be added value.

Points were made in relation to the importance of activity in schools and colleges relating to manufacturing industry and initiatives including the University Technical Colleges. Skills were a key part of the proposed devolution deal. Comments were also made in relation to the contrasts in transport connectivity and journey times between cities in the south and north of England. Transport infrastructure, included the airport to facilitate international business and future transport infrastructure development in the City.

In response, Members were informed that there was disparity in both the transport spend per person and investment in transport infrastructure. The Crossrail project was perhaps an example of the scale and speed of investment in London and the South East. In the City Region, future development included the tram-train project linking Sheffield and Rotherham, which might be a model for future development of tram and train transportation and was potentially faster and less expensive to develop as it utilised existing rail track. It was noted that Leeds had been successful in lobbying Government regarding the location of its HS2 station.

The Council noted the information reported in relation to Sheffield's economic narrative and HS2 and thanked the Executive Director, Place Portfolio, for his presentation.

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HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN, HRA BUDGET AND RENT INCREASE 2016/17

At its meeting on 13th January 2016, the Cabinet received a joint report of the Executive Directors, Communities and Place and Interim Executive Director, Resources providing the 2016/17 update of the Housing Revenue Account (HRA) Business Plan. The report also presented a 2016/17 revenue budget for the HRA.

Approval of the Housing Revenue Account is a function reserved to full Council.

The Cabinet's minute is set out below, and the Council is asked to approve the recommendations:-

HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN, HRA BUDGET AND RENT INCREASE 2016/17

- 16.1 The Executive Directors, Place and Communities and the Interim Executive Director, Resources submitted a joint report providing the 2016/17 update of the Housing Revenue Account (HRA) Business Plan, including a number of proposals.
- 16.2 **RESOLVED:** That Cabinet recommends to the meeting of the City Council on 3rd February, 2016 that :-
- (a) the HRA Business Plan report for 2016/17 as set out in Appendix A of the report is approved;
 - (b) the HRA Revenue Budget for 2016/17 as set out in Appendix B of the report is approved;
 - (c) rents for Council dwellings, including Temporary Accommodation, are reduced by 1% from April 2016 in line with the requirements of the anticipated Welfare Reform and Work Act 2016;
 - (d) rents for garages and garage sites remain frozen at 2015/16 levels and not increased from April 2016;
 - (e) community heating charges are not increased from April 2016;
 - (f) authority be delegated to the Director of Housing and Neighbourhoods to amend the burglar alarm charge in 2016/17 in line with the costs incurred under the new contract, and that, until the contract is in place and the charges are known, the burglar alarm charge remains unchanged;
 - (g) the Sheltered Housing service charge which was amended in November 2015 is not increased from April 2016;

- (h) charges for furnished accommodation are not increased from April 2016;
- (i) authority be delegated to the Director of Housing and Neighbourhoods and Director of Finance, in consultation with the Cabinet Member for Housing, to authorise prudential borrowing as allowed under current Government guidelines; and
- (j) authority be delegated to the Director of Housing and Neighbourhoods and Director of Finance, in consultation with the Director of Legal and Governance and the Cabinet Member for Housing, to amend rent levels for 2016/17 in the event that the statutory requirements at the relevant time are different to those anticipated.

(NOTE: A copy of the joint report submitted to the Cabinet is attached.)

Eugene Walker
Interim Executive Director, Resources



Cabinet Report

Report of: Executive Director, Communities
Executive Director, Place
Executive Director, Resources

Report to: Cabinet

Date: 13th January 2016

Subject: Housing Revenue Account (HRA) Business Plan, HRA budget, rents and charges 2016/17

Author of Report: Liam Duggan, 0114 2930240

Key Decision: YES

Reason Key Decision: Expenditure/savings over £500,000
Affects 2 or more wards

Summary:

This report provides the 2016/17 update of the Housing Revenue Account (HRA) Business Plan. It includes proposals to:

- Reduce rents by 1% each year for the next 4 years, in accordance with the provisions of the Welfare Reform and Work Bill, with the effect that forecast income into the business plan reduces by around 13% over the life of the plan
- Maintain our commitment to new/ replacement council homes, in spite of reduced funding levels, to mitigate the impact on social housing numbers in Sheffield of the Government's *Right to Buy*, the proposed mandatory *Pay to Stay* scheme, the extension of the *Right to Buy* to Housing Association tenants and the sale of *vacant high value local authority housing* to fund it
- Continue to deliver, as planned, improvements to people's homes to make sure homes continue to be well maintained over the next 5 years
- Reduce the size of the 5 year investment programme, in response to the Government's funding reductions, by managing the natural movement of planned work and by allowing more time to consult and plan future external environmental improvements which are needed in many of our neighbourhoods
- Reduce 30 year planning budgets, in response to the Government's funding reductions, by extending the expected lifecycles of some investment items (bathrooms, window frames, radiators), applying savings resulting from recent local policy changes and by refining some long term cost projections based on more updated information

- Begin planning for further long term savings in order to return the business plan to a financially secure position following the funding reductions announced by Government this summer

This report also presents the 2016/17 revenue budget for the HRA.

Reasons for Recommendations:

- To optimise the number of good quality affordable council homes in the city
 - To maximise the financial resources to deliver key outcomes for tenants and the city in the context of a self-financing funding regime
 - To ensure that tenants' homes continue to be well maintained and to optimise investment in estates
 - To assure the long term sustainability of council housing in Sheffield
-

Recommendations:

It is recommended that Cabinet recommends to the meeting of the City Council on 3rd February 2016 that:

1. The HRA Business Plan report for 2016/17 as set out in Appendix A to this report is approved
 2. The HRA Revenue Budget for 2016/17 as set out in Appendix B to this report is approved
 3. Rents for Council dwellings, including Temporary Accommodation, are reduced by 1% from April 2016 in line with the requirements of the anticipated Welfare Reform and Work Act 2016
 4. Rents for garages and garage sites remain frozen at 2015/16 levels and not increased from April 2016
 5. Community heating charges are not increased from April 2016
 6. The Director of Housing, Communities be given delegated authority to amend the burglar alarm charge in 2016/17 in line with the costs incurred under the new contract. Until the contract is in place and the charges are known the burglar alarm charge will remain unchanged
 7. The Sheltered Housing service charge which was amended in November 2015 is not increased from April 2016
 8. Charges for furnished accommodation are not increased from April 2016
 9. The Director of Housing and Neighbourhoods and Director of Finance, in consultation with the Cabinet Member for Housing be granted delegated authority to authorise prudential borrowing as allowed under current Government guidelines
 10. The Director of Housing and Neighbourhoods and Director of Finance, in consultation with the Director of Legal and Governance and the Cabinet Member for Housing, be authorised to amend rent levels for 2016/17 in the event that the statutory requirements at the relevant time are different to those anticipated
-

Background Papers:

[Report to Council, *Housing Revenue Account \(HRA\) Business Plan Update, HRA Budget and Rent Increase 2015/16*, 4th February 2015](#)

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES/NO Cleared by: Karen Jones
Legal Implications
YES/NO Cleared by: Andrea Simpson
Equality of Opportunity Implications
YES/NO Cleared by: Liz Tooke
Tackling Health Inequalities Implications
YES/NO Cleared by:
Human Rights Implications
YES/NO Cleared by:
Environmental and Sustainability implications
YES/NO Cleared by:
Economic Impact
YES/NO Cleared by:
Community Safety Implications
YES/NO Cleared by:
Human Resources Implications
YES/NO Cleared by: Jo Wright Coe
Property Implications
YES/NO Cleared by:
Area(s) Affected
All Areas
Relevant Cabinet Portfolio Lead
Cabinet Member for Housing
Relevant Scrutiny Committee
Safer and Stronger Communities Scrutiny and Policy Development Committee
Is the item a matter which is reserved for approval by the City Council?
YES
Press Release
NO

REPORT TO CABINET

HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN, HRA BUDGET, RENTS AND CHARGES 2016/17

1.0 SUMMARY

- 1.1 This report provides the 2016/17 update of the Housing Revenue Account (HRA) Business Plan. It includes proposals to:
- Reduce rents by 1% each year for the next 4 years, in accordance with the provisions of the Welfare Reform and Work Bill, with the effect that forecast income into the business plan reduces by around 13% over the life of the plan
 - Maintain our commitment to new/ replacement council homes, in spite of reduced funding levels, to mitigate the impact on social housing numbers in Sheffield of the Government's *Right to Buy*, the proposed mandatory *Pay to Stay* scheme, the extension of the *Right to Buy* to Housing Association tenants and the sale of *vacant high value local authority housing* to fund it
 - Continue to deliver, as planned, improvements to people's homes to make sure homes continue to be well maintained over the next 5 years
 - Reduce the size of the 5 year investment programme, in response to the Government's funding reductions, by managing the natural movement of planned work and by allowing more time to consult and plan future external environmental improvements which are needed in many of our neighbourhoods
 - Reduce 30 year planning budgets, in response to the Government's funding reductions, by extending the expected lifecycles of some investment items (bathrooms, window frames, radiators), applying savings resulting from recent local policy changes and by refining some long term cost projections based on more updated information
 - Begin planning for further long term savings in order to return the business plan to a financially secure position following the funding reductions announced by Government this summer
- 1.2 This report also presents a 2016/17 revenue budget for the HRA.
- 1.3 A separate report on the Capital Programme, which includes the council housing investment programme 2016/17, will be considered by Cabinet on 10th February 2016. This will include details of the Council's funded capital investment plan for council housing which complements the service and financial plans for the HRA in this report.
- #### 2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE
- 2.1 The Housing Revenue Account (HRA) is the statutory financial account of the Local Authority as landlord. The Council owns around 40,300 homes that are home to around 47,000 people as tenants. In addition around 2,300 leaseholders also receive housing services from the Council. It is the Council's current and future tenants and leaseholders who are impacted by the decisions made in the HRA Business Plan.

- 2.2 The rent reductions of 1% each year for the next four years as set out in the Welfare Reform and Work Bill will see tenants' rents decrease by 76p/ week on average in 2016/17. Around 34% of council households will benefit financially from this reduction whilst all other council households, those eligible for housing benefit, will see their benefit adjusted accordingly.
- 2.3 The rent reductions will see business plan income reduce by around £27m/ year by 2019/20 compared with previous projections. This will require costs to be reduced by up to 13% over the long term and some investment work planned for the next five years to be delayed.
- 2.4 Whilst the national funding reductions do impact on the ability of the Council to deliver planned commitments the proposals in this report are designed to protect high priority investment and services which are most important to tenants. 95% of council homes now meet the national Decent Homes standard and this business plan makes provision for every council dwelling to be adequately insulated or clad by 2020/21, all obsolete heating systems to be addressed by 2017 and all homes linked to a Community Heating system to be provided with a heat meter by 2017 delivering potential savings of up to 35% on household bills.
- 2.5 The proposals set out in the Housing and Planning Bill to charge higher earning households a higher rent and to fund the Right to Buy for Housing Association tenants from the sale of 'high value' council homes as they fall vacant will reduce the availability of social housing in the coming years. The Council's ongoing commitment to the stock increase programme in spite of this year's funding reductions will optimise the number of affordable homes in Sheffield for local people and will require a review of how resources are best deployed for this purpose once the regulation governing the sale of '*vacant high value local authority housing*' has been set.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The proposals in this report are aimed at maximising financial resources to deliver outcomes to council tenants in the context of a self-financing funding regime, developments in national policy, the current economic climate and reductions in Government funding.
- 3.2 The HRA is the 'landlord account' that covers the day to day housing management, investment and repairs services for council tenants. It includes the rental income and other income from tenants and all related expenditure.
- 3.3 The Council must ensure that as a self-financing entity council housing in Sheffield has a sustainable future. The purpose of the HRA Business Plan report for 2016/17 is to ensure the cost of council housing including investment in homes, services to tenants, the servicing of debt and overheads can continue to be met by the income raised in the HRA.
- 3.4 The foundation of the HRA Business Plan is ensuring council homes are occupied because letting homes generates the rental income which funds all aspects of council housing. The savings being proposed in this year's business plan are designed to protect the sustainability of the business plan by protecting investment

to people's homes and by protecting the services needed to make best use of homes.

- 3.5 Good progress has been made to identify savings needed since the funding reductions were first announced in the Summer Budget in July 2015. However there will be a need to identify around £6m/ year more savings in the coming years to bring the plan back to full health and protect it from rising interest rates and further damaging national policy changes.
- 3.6 Proposals in the Housing and Planning Bill to fund the extension of the *Right to Buy* to Housing Association tenants from the sale of 'vacant high value council housing' will see the annual reduction in council house numbers accelerate and with it a reduction in future rental income.

4.0 THE HRA BUSINESS PLAN

- 4.1 The HRA Business Plan sets out how all aspects of council housing will be funded from income (predominately rents) the local authority is able to generate in its capacity as landlord. It sets budgets for the coming year and provides a 5 year plan in the context of a 30 year affordability profile.
- 4.2 The first HRA Business Plan was approved in 2012 to coincide with the introduction of the national reform of council housing finance. The objectives of this business plan at that time were to prioritise investment that would reduce costs over the long term, including mitigating two of the biggest policy risks to the business plan (the investment backlog and welfare reform), and in so doing to free up resources such that the HRA could begin funding activity that was then deemed unaffordable.
- 4.3 Since 2012, the completion of the Decent Homes programme has been prioritised and new elemental investment programmes have been established to reduce the backlog further. Significant investment has been made in services to provide support to tenants affected by welfare reform, savings are being realised from estate services initiatives, and projects focused on making best use of council homes have been at the heart of the business plan.
- 4.4 Since the original business plan resources have also been identified to bring forward investment in activity which was previously deemed unaffordable. In 2013/14 the Council was able to identify funding for the delivery of new build council homes for the first time, in the 2014/15 update all resources required for the refurbishment of communal areas to low rise flats was identified over 5 years and in 2015/16 funding for the garage strategy was set aside. In 2015/16 the financial health of the business plan also allowed for an increase in the stock increase programme to 1,000 units and for the Council to pursue the option of installing photovoltaic (PV) panels to up to 6,000 council homes.

5.0 REVIEWING THE BUSINESS PLAN FOR 2016/17

- 5.1 This year's review of the HRA Business Plan has been undertaken during the fourth year of 'self-financing'. The overall structure of the business plan and key themes within it has been retained from previous years.

- 5.2 During 2015/16, tenants and leaseholders were informed of changes to Government policy and consulted on the response of the Council through the annual business plan update. The tenant, resident and leaseholder consultation approach adopted this year was the product of a steer from the Housing and Neighbourhoods Advisory Panel with input from the Local Area Housing Forums:-

Forum	Date
Tenant Working Group (North) session 1	24 th September 2015
Tenant Working Group (Central) session 1 (x2 groups)	5 th October 2015
Annual Tenant Conference	22 nd October 2015
Tenant Working Group (North) Session 2	23 rd October 2015
Housing and Neighbourhoods Advisory Panel (HANAP)	27 th October 2015
Tenant Working Group (North) session 2 (x2 groups)	2 nd November 2015
Investment and Repairs Partnership Group (IRPG)	3 rd November 2015
Open Information/ Feedback Sessions at Town Hall x2	9 th November 2015
Citizen Space website	27 th Oct- 24 th Nov 2015

- 5.3 Dedicated working groups meeting twice during the autumn were established for tenants and leaseholders to consider the implications of, and the Council response to, the rent reductions and other recent Government policy announcements. These sessions were advertised to Local Area Housing Forums, the Sheltered Forum, the Leaseholder Forum and to individual TARAs (by letter) in August and volunteers were sought. One Local Area Housing Forum requested a dedicated group for their area; others put forward nominations to mixed groups.
- 5.4 In addition to these sessions for tenant and leaseholder representatives two 'open information and feedback' sessions were held at the Town Hall in order to allow for wider involvement. These sessions, which were advertised via the Council website, an email to over 4,000 tenants and an article in The Star, provided the opportunity for tenants and leaseholders to hear the savings proposals for the HRA and to discuss and provide feedback. Tenants were also given the opportunity to access information and provide feedback via the 'Citizen Space' website.
- 5.5 Throughout the year, tenants have also had the opportunity to contribute to the review of the HRA Business Plan via standing meetings and events including the Annual Tenant's Conference, the Investment and Repairs Partnership Group and the Housing and Neighbourhoods Advisory Panel.
- 5.6 The feedback from tenants and leaseholders was that they were generally supportive of the approach being taken by the Council in finding savings. The specific proposals put forward were supported and tenants provided suggestions about where additional savings might be found, for example by addressing perceived value for money issues in relation to investment and repair and by reducing the number of vacant properties.
- 5.7 During 2015/16 all existing planning assumptions and targets in the plan have been reviewed and where necessary updated for 2016/17.
- 5.8 This report will be discussed with tenant representatives at the Citywide Forum on

7th January 2016. Comments and views expressed will be offered verbally to the Cabinet meeting.

6.0 SUMMARY OF KEY CHANGES FOR 2016/17

6.1 The Queen's Speech on 27th May 2015, the Chancellor's Summer Budget of 8th July 2015 and the Joint Spending Review and Autumn Statement on 25th November included major changes for social housing, some of which are set out in the Welfare Reform and Work Bill and Housing and Planning Bill.

6.2 The key developments included:-

- Change to Rent Policy
An annual 1% reduction in social rents for 4 years starting April 2016 is set out in the Welfare Reform and Work Bill. The reduction is to be calculated by reference to the applicable rent on 8th July 2015. This significantly reduces funding for council housing.
- Extension of the *Right to Buy* to Housing Association tenants
The extension of the *Right to Buy* to Housing Association tenants will be funded nationally through payments by local housing authorities to the government based on the estimated receipts from the sale of 'high value' council homes as they fall vacant. This is set out in the Housing and Planning Bill.
- 'Pay to Stay' – Higher Rents for Higher Earners
Also provided for in the Housing and Planning Bill, and anticipated to come into force from April 2017, social landlords will be required to charge a market or near market rent to tenants whose household income exceeds £30,000. Local Authorities will be required to pay the resulting additional income to the Treasury for deficit reduction. This will apply to existing as well as transferring tenants. It is likely to lead to increased tenant arrears, administration costs for the Council and *Right to Buy* applications.
- Phasing Out of Secure Tenancies for Life
The Housing and Planning Bill includes provisions so that in future, except in circumstances to be specified by the Secretary of State, secure tenancies may only be granted for a fixed term of between 2 and 5 years. Also, a successor to an existing secure tenancy who is not a partner succeeds to a tenancy automatically converted to a fixed term of 5 years. Shortly before the end of the fixed term the landlord must carry out a review and decide whether to (1) offer to grant a new (fixed term) tenancy of the dwelling, (2) seek possession of the dwelling but grant a tenancy of another dwelling instead or (3) seek possession of the dwelling without offering a tenancy of another dwelling. The Bill does not set the timetable for implementing the changes although the anticipated date is April 2017.
- Further Welfare Reforms
The current benefits cap of £26,000 is to be reduced to £20,000 and provision for this is made in the Welfare Reform and Work Bill though there

is no indication of the date for when this reduction will commence. The Summer Budget included an announcement that from April 2017 those out of work aged 18-21 making new claims to Universal Credit will no longer be automatically entitled to the housing element although there will be some exceptions. The Joint Spending Review and Autumn Statement set out a proposal that from 2018 the Government proposes to limit Housing Benefit (or the housing element of Universal Credit) for claimants in social rented housing who started their tenancy after April 2016 to the relevant Local Housing Allowance rates. This will include the Shared Accommodation Rate for single claimants aged under 35 without dependent children. This is not yet included in any draft legislation but is likely to be achieved by amendment to Housing Benefit regulations.

6.3 The 1% rent reduction will mean that by 2019/20 rental income into the HRA will be around £27m less per year than previously forecast. Over the life of the plan rental income will reduce by around 13%. This creates two key concerns for the HRA Business Plan:

1. A viability issue for the long term plan (because of the rent reductions reducing forecast income)
2. A cash-flow issue in the first 5 years (because of the rent reductions in parallel with the Government debt cap)

6.4 It is therefore necessary to make long term efficiency savings to improve the viability of the plan. It is also necessary to reduce costs over the next 5 years of the plan through budget reductions and by delaying activity into the later years of the plan.

6.5 The key strategic choices in this business plan concerning the cash flow issue in the first five years of the HRA Business Plan are as follows:-

- Continue to deliver, as planned, improvements to people's homes to make sure homes continue to be well maintained
- Prioritise the delivery of new/ replacement council homes. This is increasingly important because the number of social rented homes in the city will now reduce more quickly as a result of the Government's *Right to Buy*, the proposed mandatory *Pay to Stay*, the extension of the *Right to Buy* to Housing Association tenants and the sale of *vacant high value local authority housing*. The means by which social housing numbers are maintained in the city will need to be reviewed once the regulation governing the sale of '*vacant high value local authority housing*' has been set.
- Accept that our strategy for the delivery of photovoltaic (solar) panels to the roofs of council homes as part of the roofing programme through the HRA is no longer affordable following the dramatic reduction in subsidy (Feed in Tariff) rates proposed by the Government on 27th August 2015 and confirmed on 17th December.
- Allow some slippage to the five year investment programme through the natural movement of planned work
- Allow more time to consult and plan future external environmental improvements which are needed in many of our neighbourhoods

6.6 Long term costs have been taken out of the business plan by:-

- Extending the expected lifecycles of some investment items and building in known, no-access/ refusal rates into long term budgets
- Introducing a managed reduction to the repairs budget in light of fewer repairs jobs being needed following high levels of capital investment and from developing new more efficient ways of working
- Applying savings from recent local policy changes
- Updating our long term budget forecasts for schemes where we now have a better understanding of probable costs
- Making back-office savings

6.7 Savings options will be brought forward and consulted on in the coming months and years to deliver the £6m/ year savings that are still needed to bring the plan back to full financial health.

7.0 INCOME AND RESOURCES

7.1 Dwelling rents for 2016/17 are to reduce by 1% in line with the Welfare Reform and Work Bill. The 1% decrease is equivalent to an average reduction of £0.76 per week. Appendix D sets out the average rents per house size in Sheffield.

7.2 The process of making all council housing rents equitable over time (following the ending of the national 'rent convergence' policy one year early) by letting vacant properties at the target rent level will continue as before (subject to the rent reduction requirements in the anticipated Welfare Reform and Work Act 2016). In November 2015, with around half of council homes at the target level, the *average* rent is now 96p less than 'target' compared with a difference of £1.04 last year.

7.3 Properties declared for demolition within the Arbourthorne Fields Scheme will also have their rents reduced by 1% for 2016/17.

7.4 Garage rents were frozen in 2014/15 to address customer concerns about high rent levels and poor garage maintenance. It is proposed that garage rents remain frozen in 2016/17 pending development of the garage strategy.

7.5 The Sheltered Housing service charge was adjusted on 30th November 2015. The change in charge was to help mitigate the financial impact of the withdrawal of supported housing subsidy. A full consultation of the proposed change was put to tenants and statutory notice provided. The revised charging arrangements will not change in 2016/17.

7.6 The community heating service charge will not be increased for 2016/17. Following the installation of heat meters in Sheltered Housing schemes during 2016/17, as required by the Heat Network (Meter and Billing) Regulations 2014, a 70p weekly charge will be introduced for those schemes where the supply of hot water cannot be measured by meters in the dwellings. This is not an additional charge compared with what others will pay but the amount 'saved' by not paying for hot water via the meter. A breakdown of all community heating service charges is set out in Appendix D to this report.

7.7 The contract for the installation and maintenance of burglar alarms is being re-

procured and following the appointment of the new contractor the burglar alarm charge will be amended in line with the costs incurred under the new contract. Until the contract is in place and the charges are known the burglar alarm charge will remain unchanged.

7.8 The furnished accommodation service charge will not be increased for 2016/17.

7.9 Detail in the HRA Business Plan 2016/17 update report section 3, summarises the key changes for Income and Resources.

8.0 HOMES

8.1 The aim of the investment programme has been to create an affordable plan to match expected resources and to try and address as much of the higher risk backlog elements as possible in order to minimise costs overall.

8.2 The Government's rent reductions will reduce the funding available to the investment programme over the 5 years of the plan and over the longer term.

8.3 The five year investment programme will continue to prioritise and deliver, as planned, improvements to people's homes (kitchens, bathrooms, windows, doors, roofs, boilers, communal areas etc) to make sure homes continue to be well maintained.

8.4 Each year as the five year programme is reviewed efforts are made to incorporate elements of high priority schemes which are only partially funded. This year such opportunities are extremely limited as the five year programme has had to reduce in size. However a small amount of funding has been possible for energy efficiency work to non-traditional single walled homes, the refurbishment of communal areas of maisonettes and plastering.

8.5 The stock increase programme target of 1,000 new/ replacement homes will be maintained despite the Government's funding reductions in order to partially offset the impact of national policy on social housing numbers. In order to maintain this target an Affordable Rent, of 80% of market rent as prescribed in the Welfare Reform and Work Bill, will be set (subject to the rent reduction requirements) for new properties where this is allowed by Government. The Council's approach to maintaining social housing numbers in the city will need to be reviewed once the regulation governing the sale of '*vacant high value local authority housing*' has been set.

8.6 The rent reductions set out in the Welfare Reform and Work Bill creates a cash flow problem for the business plan over the next 5 years requiring some costs to be slipped from the next 5 years to the later years of the plan. Following a consultation in October and November 2015 it is proposed that more time is allowed to consult and plan future external environmental improvements. Taking more time to plan works to drying areas, steps, paths, walkways, handrails and boundary walls will ensure we make sound and cost effective investment choices and will help to provide a reduction in spending in the next 5 years.

8.7 The HRA Business Plan 2015/16 included proposals to pursue the option of

installing up to 6,000 photovoltaic panels over the next 5 years, funded from Government subsidy. The Council's preferred approach for cash-flowing the project was through the Housing Revenue Account although other opportunities were being explored such as through 'rent a roof' schemes. Following confirmation by Government on 17th December that subsidy (Feed in Tariff) rates for new photovoltaic installations will be dramatically reduced the delivery of PV through this route is no longer viable. On that basis it is recommended the delivery of PV through the HRA is considered closed although the Council will continue to support tenants who seek to access subsidised PV through private sector suppliers. The reduction of £20m to the borrowing requirement of the HRA in the next 5 years partially alleviates the cash flow problem caused by the rent reductions.

- 8.8 Also to alleviate the cashflow problem in the next 5 years it is proposed to allow some slippage to the five year investment programme through the natural movement of planned work. In a work programme of around £50m/ year with the involvement of a number of different contractors some projects are delivered more quickly than others. Project delays will be managed to deliver a 10% underspend (in year 5) to contribute to the reductions needed.
- 8.9 In addition to the cashflow issue the rent reductions also impact on the long term viability of the plan. To address this it is proposed to extend the expected lifecycles of some investment items (bathrooms, windows and radiators/ pipework), and build in known, no-access/ refusal rates into long term budgets. These changes were consulted on during October and November 2015.
- 8.10 A repairs strategy will be developed by the Council in consultation with tenants to deliver a managed reduction to the repairs budget over the coming years. This will be achieved through coordinated investment to minimise repairs volumes and from developing new more efficient ways of working.
- 8.11 Detail in the HRA Business Plan update report section 4, summarises the key changes for Homes.

9.0 TENANT SERVICES

- 9.1 Universal Credit is due to be implemented for new single claimants in Sheffield from 2016. The Council will be leading the support in the city for tenants affected by its implementation and particularly on budgeting support and digital inclusion.
- 9.2 The new Allocations Policy approved by Cabinet in March 2013 will be implemented in April 2016. Some elements of the policy have already been introduced as amendments to the current Lettings Policy to help reduce tenancy turnover, staff time and speed up the re-housing process.
- 9.3 The citywide rollout of Housing Plus, approved by Cabinet in March 2014, is expected from April 2016. The project implementation cost of Housing Plus and resulting savings profiles have been updated for this report although the net impact on the anticipated long term financial benefits to the HRA are essentially unchanged from last year. The estimated cost of the new service has been updated based on revised estimates.

- 9.4 On 1st May 2015 arrangements for the delivery of housing grounds maintenance by a single service, approved by Cabinet in October 2014, were implemented through the transfer of housing estate officers to the Parks and Public Realm service yielding £42k savings to the HRA in 2015/16 and an anticipated £50k/ annum additional savings for three years from 2016/17.
- 9.5 A review of estate services commenced in 2015/16 to ensure the estates service is efficient and offers the best outcomes for customers.
- 9.6 In 2015/16 Going Local was replaced with a local Community Fund and a local enhanced maintenance allowance for the area. The criteria for the use of Community Fund monies has been reviewed this year and shared with Local Area Housing Forums. The areas' enhanced maintenance allowance process has also been developed.
- 9.7 An on-going budget of £45,000 for the Digital Inclusion project is proposed from 2016/17. This is to enable an expansion to the current number of classes and to look at proposals for installing communal Wi-Fi to community buildings to help with community sustainability as part of the Council's wider digital inclusion agenda.
- 9.8 Cabinet approved the establishment of a Housing Employability and Apprentice Scheme within the Council Housing Service on 18th March 2015 and this is now factored into the plan.
- 9.9 Detail in the HRA Business Plan 2016/17 update report section 5, summarises the key changes for Tenant Services
- 10.0 DEBT AND TREASURY MANAGEMENT**
- 10.1 At the start of self-financing the HRA had £122m internal borrowing which is the Council's use of cash reserves to finance capital expenditure instead of borrowing. This is now around £52m.
- 10.2 The effect of the Government's recently announced rent reductions will be to quickly deplete HRA balances so there will be a need to externalise this borrowing in full with fixed rate loans in the coming years.
- 10.3 The reduced viability of the plan at this year's review, as a result of the Government's funding reductions, increases the plan's exposure to interest rate risk. Revenue savings will be required in the coming years to mitigate this.
- 11.0 VALUE FOR MONEY**
- 11.1 A large number of savings proposals have been made in this year's business plan report in response to the 1% rent reductions in the Welfare Reform and Work Bill. However it is estimated that around £6m/ annum additional savings will be required in the coming years to return the plan to full financial health.
- 11.2 In 2013/14 £1.2m efficiency savings were built into the business plan as a result of the Future of Council Housing integration. The remaining savings are expected to be made through Service Level Agreement (SLA) reviews and a Managing

Employee Reductions (MER) process.

- 11.3 A Cabinet decision was made in March 2015 to insource the council housing repairs and maintenance service from 1st April 2017. The insourced service is expected to be fully operational from 2017/18 and following initial costs, efficiencies of £1.3m are assumed from 2019/20. Under the new model it is assumed that efficiencies generated from council housing repairs will be reinvested in the HRA.
- 11.4 Detail in the HRA Business Plan 2016/17 update report section 7, summarises the key changes for Value for Money.

12.0 RISK MANAGEMENT

- 12.1 The risk management plan is the basis of the Council's risk management strategy for the HRA Business Plan.
- 12.2 The main viability test for the business plan is its capacity to repay debt over the life of the business plan. Having this capacity provides cover for interest rate rises and mitigates the need to refinance borrowing in times of high interest rates. The long term viability of the plan is dependent on the delivery of around £6m/ annum additional savings in the coming years.
- 12.3 Following an assessment of the risks to the HRA in the coming 5 years and to prioritise funding for the investment programme in light of the rent reductions it is proposed that the risk based reserve is reduced to £5.3m.

13.0 FORECAST OUTTURN 2015/16

- 13.1 Regular revenue budget monitoring reports have been brought during the year to Cabinet. These have shown a more favourable outturn compared with the original budget.
- 13.2 The net revenue position for the HRA as at the end of October 2015 was projected to be £15m compared with a budget position of £10.9m. In accordance with the HRA's financial strategy this sum will be used to provide further funding for the future HRA capital investment programme and has been factored into this update of the Business Plan.
- 13.3 Further monitoring reports updating the 2015/16 position will be presented in accordance with the Council's budget monitoring timetables.

14.0 HRA BUDGET PROPOSALS FOR 2016/17

- 14.1 The HRA Business Plan report 2016/17 (at Appendix A) sets out the proposals for 2016/17 and includes the key changes described in the Income, Homes, Tenant Services and Value for Money sections above.

15.0 RECOMMENDED HRA BUDGET 2016/17

- 15.1 The 2016/17 HRA revenue budget is set out in Appendix B. The HRA opening risk based reserve for 2016/17 will be £5.3m.

15.2	Summary Recommended Budget 2016/17	HRA revenue (£m)
	Opening revenue reserve April 2016	5.3
	Net revenue position	13.0
	Transfer to the capital reserve	12.8
	Closing Revenue Reserve (excluding community heating)	5.4
	Closing Community Heating balance	1.7

15.3 It is proposed to retain a community heating reserve of £1.7m. This is to enable the Council to absorb risks such as significant future increases in gas prices and in doing so avoid the need to implement sharp/ reactive price increases for tenants.

16.0 FINANCIAL IMPLICATIONS

16.1 The 2016/17 budget is the fifth annual budget set under the self-financing system. It follows the principles set out in the original business plan and allows for a continuation of services to tenants, revenue repairs to properties and also financial support for the Council Housing investment programme by means of a contribution from revenue.

16.2 In addition, any annual revenue surpluses on the account are planned to provide further funding for capital investment.

16.3 The Council Housing capital programme will require the HRA to undertake further borrowing as allowed under the current government guidelines. In these early years of self-financing the debt strategy for the HRA will continue to be reviewed and developed in accordance with the Council's delegated treasury management policy.

16.4 Further details on the Council Housing Capital programme will be set out in the report to Cabinet on 10th February 2016.

16.5 Appendix B details the initial five-year projections for the HRA income and expenditure account. These are based on current assumptions and will be reviewed during 2016/17 in the light of any known changes.

17.0 LEGAL IMPLICATIONS

17.1 The duty to keep a Housing Revenue Account and prevent a debit balance on it and restrictions as to what may be credited or debited to the account ("the ring-fence") are governed by Part VI of the Local Government and Housing Act 1989 (the 1989 Act). This formerly included provision for annual HRA subsidy paid central Government to local housing authorities, as determined by the Secretary of State. HRA subsidy was abolished by the Localism Act 2011, which provided for the Secretary of State to make a determination providing for the calculation of a settlement payment to or from each local housing authority. This settlement and its implications for the self-financing HRA continue to inform the HRA Business Plan.

17.2 The HRA provisions in the 1989 Act include the duty in January or February each

year to formulate proposals relating to HRA income and expenditure. Those proposals are contained in this report. These proposals must be made on the best assumptions possible at the time as to all matters which may affect the amounts to be credited and debited to the account, and the best estimates possible as to those amounts.

- 17.3 The Welfare Reform and Work Bill and the Housing and Planning Bill are both currently before Parliament and contain a number of provisions which will have an impact on the HRA. These are set out at paragraph 6.2 of this report. The proposals set out here have been formulated on the assumptions that both Acts will have been passed by April 2016 and that the relevant provisions as regards the rent to be set will be in force as described. The recommendations reflect this assumption but provide for the possibility that the legislation might be further revised or not have been passed in time in order to ensure that lawful rents are set.
- 17.4 By section 24 of the Housing Act 1985 (the 1985 Act) the Council has a broad discretion in setting such reasonable rents and other charges as it may determine and must from time to time review rents and make such changes as circumstances may require. Such circumstances will of course include other statutory requirements such as those described in this report. The duty to review rents and make changes is itself subject to the requirements for notice of a variation set out in Section 103 of the 1985 Act. The notice must specify the variation and the date on which it takes effect which must be at least four weeks after the date of service. To implement the rent variation recommended in this report notice of the variation must be sent to all tenants within the first week of March at the latest.
- 17.5 Both Bills (Housing and Planning particularly, Welfare Reform and Work to a lesser extent) provide for detail regarding how the changes will be implemented and will operate to be set out in further Regulations. The effects of the new legislation and any changes needed to Council policies, practices and tenancies will be reported for decision in accordance with the Leader's Scheme of Delegation in due course.

18.0 HUMAN RESOURCES IMPLICATIONS

- 18.1 Some financial efficiency targets in this report may have implications for some teams.
- 18.2 Where any proposal does impact on teams the Council's Achieving Change and Managing Employee Reductions procedures will be followed.

19.0 ENVIRONMENTAL & SUSTAINABILITY IMPLICATIONS

- 19.1 Any environmental and sustainability issues arising from the Council Housing Investment programme within this report will be dealt with the Capital Programme report to Cabinet in February 2016.

20.0 EQUALITY OF OPPORTUNITY IMPLICATIONS

- 20.1 Consideration has been given to equalities relating to HRA budgets and business plan options and a full Equalities Impact Assessment (EIA) has been completed. Issues raised will be addressed through regular monitoring against actions in the

EIA.

- 20.2 The Capital Programme report to Cabinet on 10th February 2016 will deal with any equalities considerations relating to the Council Housing Investment programme.
- 20.3 Any in-year proposed change in policy or service provision will require an individual Equality Impact Assessment.

21.0 PROPERTY IMPLICATIONS

- 21.1 There are no additional property implications for the Council arising from the recommendations in this report.

22.0 ALTERNATIVE OPTIONS CONSIDERED

- 22.1 Delays to some parts of the investment programme have been required this year to address the cash flow issue created by the rent reductions in parallel with the Government debt cap. These delays could be achieved by reducing the stock increase programme. However at a time when social housing numbers are set to reduce ever faster as a result of newly announced Government policy (extension of the *Right to Buy* to Housing Association tenants, sale of *Vacant High Value Local Authority Housing* and *Pay to Stay*) the funding of the stock increase programme is considered to be a high priority.
- 22.2 A range of savings options have been identified in order to bring expenditure down in line with the revised rental income forecasts following the rent reductions announced by Government this summer. These have been consulted on and are recommended for implementation in this report. Further savings will be needed and options will be developed in the coming months and brought forward for consultation.

23.0 REASONS FOR RECOMMENDATIONS

- 23.1 To optimise the number of good quality affordable council homes in the city.
- 23.2 To maximise the financial resources to deliver key outcomes for tenants and the city in the context of a self-financing funding regime.
- 23.3 To ensure that tenants' homes continue to be well maintained and to optimise investment in estates.
- 23.4 To assure the long term sustainability of council housing in Sheffield.

24.0 RECOMMENDATIONS

- 24.1 It is recommended that Cabinet recommends to the meeting of the City Council on 3rd February 2016 that:
1. The HRA Business Plan report for 2016/17 as set out in Appendix A to this report is approved

2. The HRA Revenue Budget for 2016/17 as set out in Appendix B to this report is approved
3. Rents for Council dwellings, including Temporary Accommodation, are reduced by 1% from April 2016 in line with the requirements of the anticipated Welfare Reform and Work Act 2016
4. Rents for garages and garage sites remain frozen at 2015/16 levels and not increased from April 2016
5. Community heating charges are not increased from April 2016
6. The Director of Housing, Communities be given delegated authority to amend the burglar alarm charge in 2016/17 in line with the costs incurred under the new contract. Until the contract is in place and the charges are known the burglar alarm charge will remain unchanged
7. The Sheltered Housing service charge which was amended in November 2015 is not increased from April 2016
8. Charges for furnished accommodation are not increased from April 2016
9. The Director of Housing and Neighbourhoods and Director of Finance, in consultation with the Cabinet Member for Housing be granted delegated authority to authorise prudential borrowing as allowed under current Government guidelines
10. The Director of Housing and Neighbourhoods and Director of Finance, in consultation with the Director of Legal and Governance and the Cabinet Member for Housing, be authorised to amend rent levels for 2016/17 in the event that the statutory requirements at the relevant time are different to those anticipated

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Date: 4th January 2016

Sheffield City Council Housing Revenue Account (HRA) Business Plan 2016/17

1. INTRODUCTION

a) Purpose of this Report

This is the Housing Revenue Account (HRA) Business Plan report for 2016/17. This report:-

- Proposes HRA rents and charges for 2016/17
- Proposes budgets for 2016/17
- Reports on progress and sets out new policy choices
- Refreshes the 5 year planning budgets and where appropriate updates long term planning assumptions
- Provides a 30 year affordability profile based on updated financial assumptions in the report

b) Report and Structure

The HRA Business Plan 2016/17 report follows the same structure as previous years' reports:-

1. Introduction
2. Governance
3. Income and Resources
4. Homes
5. Tenant Services
6. Debt and Treasury Management
7. Value for Money

c) Background

The Housing Revenue Account (HRA) is the financial account of the Council as *landlord*. It is ring-fenced in law for spend on activity relating to council housing. This means the HRA can't be used to fund any other Council activity which does not relate to the role of the Council as landlord.

In England the HRA operates using a self-financing funding model which means that each Local Housing Authority has to fund its council housing from the income it is able to generate from rents and other charges. There is therefore a limit to what can be afforded by the business plan in order that forecasted spend does not exceed income.

The HRA Business Plan 2016/17 report is the fourth annual update since the approval of the original plan in 2012 which marked the start of the self-financing arrangements.

d) Changes to National Policy since the last business plan update

A series of policy announcements have been made by the new Government administration, since the General Election, which will have a significant impact for social housing providers nationally including the Council.

i. Change to Rent Policy

The Welfare Reform and Work Bill includes changes to social rent policy which will mean from April 2016 registered providers of social housing will have a statutory obligation to reduce their rents by 1% per year, irrespective of inflation, for four years.

This has a significant impact for social housing providers who have previously been planning on the basis of the May 2014 Rent Guidance issued by Government. This guidance, which was to 'provide ten years of rent certainty' and 'give stability to social tenants, social landlords and their funders', was for rent increases of inflation (CPI) + 1 percentage point annually, for ten years.

These rent reductions reduce the business plan's forecast income by around 13%. The Council's initial response to these rent reductions is set out in this business plan.

ii. Extension of the Right to Buy to Housing Association tenants

The Queen's Speech on 27th May set out the Government's commitment to extend the Right to Buy to Housing Association tenants. On 5th October it was announced that the National Housing Federation and the Government had reached a deal which will see the extension of the *Right to Buy* to Housing Association tenants brought in voluntarily by Housing Associations thereby avoiding the need for the Government to bring primary legislation through Parliament.

Under the terms of this deal every Housing Association tenant is expected to have the right to purchase a home at Right to Buy level discounts subject to the overall availability of funding for the scheme. The deal will see Housing Associations (unlike Councils) reimbursed the cost of the discounts by Government with Government raising the income to fund the scheme from the sale of '*vacant high value local authority housing*'. The deal is understood to include a requirement for Government to implement deregulatory measures to support Housing Associations to support tenants into home ownership and give Housing Associations greater control over who they house.

The Housing and Planning Bill was published on October 13th 2015. This draft bill makes provision for the Government to apply an annual charge to each local housing authority in England based on the estimated value of that local housing authority's high value stock which is expected to become vacant during the year. The Bill states that the local authority must 'consider' selling its interest in high value housing to fund the charge but leaves open the possibility of it being funded by other means.

iii. 'Pay to Stay' – Higher Rents for Higher Earners

The Chancellor announced through the Summer Budget that social landlords will be required by law to charge market or near market rents to tenants where household income exceeds £30,000 and, for local authority landlords, pay the resulting additional income to the Treasury for deficit reduction. This will apply to existing as well as transferring tenants from April 2017 and provision is made for this in the Housing and Planning Bill.

The number of tenants affected in Sheffield isn't known as household income is not routinely collected by the Council about its tenants.

Other key questions which remain unanswered at this time, and which are due to be set out in regulation following enactment of the Bill, are how high earning households will be identified (through tax records, or by tenant declarations) and the criteria governing the setting of rent (threshold to be potentially varied by area, use of a taper etc).

iv. Phasing Out of Secure Tenancies for Life

In December 2015 the Government made an amendment to the Housing and Planning Bill so that in future local housing authorities can only grant secure tenancies for a fixed term of between 2 and 5 years. The amended Bill states that at the end of the fixed term the landlord must carry out a review and decide whether to (a) offer to grant a new (fixed term) tenancy of the dwelling, (b) seek possession of the dwelling but grant a tenancy of another dwelling instead or (3) seek possession of the dwelling without offering a tenancy of another dwelling. The Bill does not set the timetable for implementing the changes although the anticipated date is April 2017.

v. Further Welfare Reforms

The Chancellor confirmed through the Summer Budget that the £26,000 benefit cap will be reduced to £20,000 outside the capital and this is now set out in the Welfare Reform and Work Bill. This reduction will result in more general needs households being affected by the cap and is also likely to have a significant impact on the Council's Temporary Accommodation and High Support services. A date for reducing the cap is yet to be announced.

The Summer Budget also stated that from April 2017, those out of work aged 18 to 21 making new claims to Universal Credit will no longer be automatically entitled to the housing element. Parents whose children live with them, vulnerable groups and those who were living independently and working continuously for the preceding 6 months would be exempt from this measure.

In the Joint Spending Review and Autumn Statement in November the Chancellor announced that Government will limit the amount of housing benefit paid to social housing tenants to the relevant Local Housing Allowance rate. This will restrict housing benefit for single council tenants aged under 35 and without dependent children to the Shared Accommodation Rate from 2018.

e) Impact of national policy changes on the HRA Business Plan

The most immediately significant impact on the business plan of the policy announcements set out above is the 1% rent reductions. This will mean that by 2019/20 rental income into the HRA will be £27m less per year than previously forecast. Overall the changes reduce rental income into the plan by around 13% over the life of the plan. The rent reductions cause two main issues for the HRA Business Plan:

1. A viability issue for the long term plan

- This will be addressed by making long term savings

2. A cash-flow issue for the 5 year programme

- This will be eased by making budget reductions in the short term but can also be addressed by delaying some planned investment

A provisional and conservative estimate is made in the business plan for loss of stock as a result of the Government's proposals for *vacant high value local authority housing* and an initial estimate is also made of the impact of the additional welfare reforms and Pay to Stay on arrears. However at this time no administration costs are built into the business plan in relation to Pay to Stay or Review of Lifetime Tenancies as there is not currently sufficient detail available from Government in relation to these proposals.

f) Responding to the rent reductions

It is necessary to reduce costs over the 30 year life of the plan through long term budget reductions in order to maintain a viable, financially secure business plan.

It is also necessary to reduce costs over the next 5 years through budget reductions and by delaying activity into the later years in order to maintain a fully funded 5 year plan.

The proposals set out in this report seek to adapt the business plan to the rent reductions in order to minimise the impact on the services provided to tenants and to make sure homes continue to be well maintained.

g) Strategic Choices 2016/17

The key strategic choices for the first five years of the HRA Business Plan are to:-

- Prioritise the delivery of new/ replacement council homes. This is increasingly important because the number of social rented homes in the city will now reduce more quickly as a result of the Government's *Pay to Stay* proposals, the extension of the *Right to Buy* to Housing Association tenants and the sale of *vacant high value local authority housing*. The Council's approach to maintaining social housing numbers in the city will need to be reviewed once the regulation governing the sale of *vacant high value local authority housing* has been set.
- Accept that our strategy for the delivery of photovoltaic (solar) panels to the roofs of council homes as part of the roofing programme through the HRA is no longer affordable following the dramatic reduction in subsidy (Feed in Tariff) rates

proposed by the Government on 27th August and confirmed on 17th December 2015

- Continue to deliver, as planned, improvements to people's homes to make sure homes continue to be well maintained
- Allow some slippage to the five year investment programme through the natural movement of planned work.
- Allow more time to consult and plan future external environmental improvements which are needed in many of our neighbourhoods.

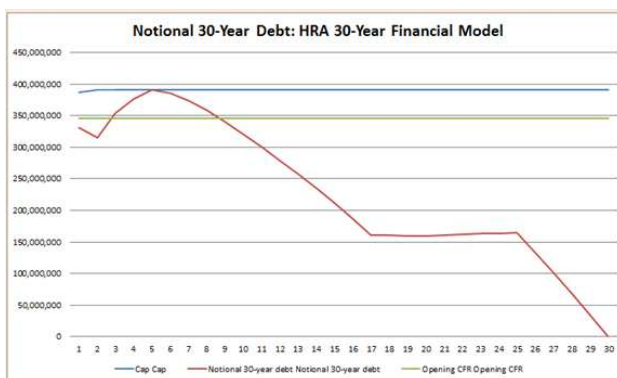
Long term costs have been taken out of the business plan by:

- Extending the expected lifecycles of some investment items and building in known no-access/ refusal rates into long term budgets
- Introducing a managed reduction to the repairs budget in light of fewer repairs jobs being needed following high levels of capital investment and from developing new more efficient ways of working
- Applying savings from recent local policy changes
- Updating our long term budget forecasts for schemes where we now have a better understanding of probable costs
- Making back-office savings

h) Additional savings

In addition to the above there will be a need to deliver around £6 million/ year of additional savings in the coming years to bring the plan back to a financially viable state and fully offset the impact of the Government's funding reductions.

These savings are provisionally factored into the plan over 3 years between year 4 (2019/20) and year 6 to deliver the following 30 year viability profile:



A viable plan is needed in order to provide resilience to rising interest rates and further damaging national policy changes.

Savings options will now need to be identified and consulted on with tenants and leaseholders to meet the £6m savings still required.

2. GOVERNANCE

a) Overview

HRA governance includes three key structures; tenant governance and scrutiny; political governance and officer structure.

b) Tenant and Resident Involvement

i. Housing and Neighbourhoods Advisory Panel (HANAP)

The Housing and Neighbourhoods Advisory Panel (HANAP) has been established since June 2014 (replacing the Interim Sheffield Housing Board) and is a tenant advisory body that was set up for tenant and leaseholder representatives to meet with the Cabinet Member for Housing once a month.

ii. Tenants and Residents Associations (TARAs)

Tenant and Resident Associations (TARAs) exist to represent their members particularly on housing matters such as the HRA Business Plan. In order for TARAs to be recognised by the City Council and receive funding via the Tenant Levy, TARAs must comply with the TARA Recognition Policy. A review of the policy took place during 2014 to deliver a more consistent and clearer approach to TARA management. The new policy was implemented in October 2015 and will be reviewed every 2 years from 2016.

iii. Concessionary Lettings and Community Buildings

A concessionary letting is an ordinary council housing property which has been let or leased to a TARA to enable them to hold meetings and run an office. The property provides a base for the TARA to work and hold committee meetings. There are currently 26 concessionary lettings (25 properties plus 1 garage) granted to TARAs citywide (North 9, North West 4, East 4, Central 2, South East 6 and South West 1, plus 1 garage plot). Rent loss to the HRA as a result of these concessionary lets will be around £95,000 in 2015/16.

c) Council Member Governance

The Cabinet Member for Housing has responsibility for the HRA Business Plan. Cabinet and Full Council have a role in approving the annual HRA budget and business plan update. Cabinet receives a formal finance report each month which includes both revenue and capital elements of the plan.

The Business Plan also falls within the scope of the Safer and Stronger Communities Scrutiny & Policy Development Committee.

d) Council Officer Governance

The Director of Housing and Neighbourhood Services is responsible for monitoring performance against the business plan and coordinating the annual review and update of the plan.

3. INCOME AND RESOURCES

a) Overview

This section of the HRA Business Plan is concerned with income into the HRA. It includes rent setting and charges payable by tenants to the Council as landlord.

b) Risks

i. Welfare Reform

The Government's Welfare Reform continues to be a significant risk to the business plan. The implementation of Universal Credit is due to commence in Sheffield from 2016 initially for new, single, working age claimants.

Rent arrears forecasts have been updated to reflect changes since last year including:

- Updated Universal Credit migration assumptions
- Learning from social landlords already working with Universal Credit
- Re-profiling the mitigations budget based on updated roll out programme
- Hardship Fund re-profiled to be available when Discretionary Housing Payments (DHPs) may drop and Universal Credit migration takes place

The longer term impact of arrears caused by Universal Credit is expected to peak in 2020/21 following which a steady reduction is expected.

The Welfare Reform and Work Bill makes provision for the £26,000 benefit cap to be reduced to £20,000 outside the capital (timetable unknown). The Housing and Planning Bill makes provision for social housing landlords to be required to charge higher earning tenants a higher rent from 2017/18. Both of these initiatives will impact on rent arrears levels and although important detail about these policies is not yet known a provisional estimate has been made in the plan.

Universal Credit and the reduced Benefit Cap pose significant financial risks to the Council's Temporary Accommodation and High Support services and are currently being reviewed.

ii. Right to Buy

Right to Buy sales forecasts continue to show a peak in sales in 2016/17 because of the Government's 'reinvigoration' of the scheme in 2012.

The mandatory 'Pay to Stay' policy in the Housing and Planning Bill whereby higher earners will be required to pay higher rents made is also likely to lead to an increase in Right to Buy applications.

iii. Sale of 'vacant high value local authority housing'

The sale of 'high value' council homes to fund the extension of the 'Right to Buy' to Housing Association tenants will accelerate the erosion of council homes in the city

and rental income into the HRA. It is not yet known whether the Council will retain the housing debt associated with each sold property in lieu of future lost rental income.

iv. Rent Loss from Vacant Properties

The rent loss budget has been under pressure in 2015/16 due to an increase in turnover at the end of 2014/15 and the beginning of 2015/16. This was due to an increased number of 'quits' during this time and the inclusion of properties acquired as part of the stock increase programme.

c) Key Developments

i. Dwelling Rent

Current rent guidance was issued by Government in May 2014 and was for annual rent increases of inflation + 1% from 2015/16 for ten years.

In July the Chancellor announced that this rent policy would no longer stand and social rents would instead reduce by 1% each year for the next four years. This change is being brought in through the Welfare Reform and Work Bill which is expected to be enacted in the coming weeks to make the rent reduction a legal requirement.

Social rents, including temporary accommodation and properties declared for demolition, will therefore reduce by 1% for 2016/17 equivalent to an average reduction of £0.76 per week. In Sheffield, these rent reductions equate to around a 13% reduction in projected rental income over the 30 year life of the plan.

Vacant properties will continue to be re-let at the 'target' / formula rent in order to continue the process of making council rents equitable over time following the ending of the national 'rent convergence' policy by Government one year early. Target rents also reduce by 1% in April.

The Council has a very small but increasing number of homes at Affordable Rent. These rents must also reduce by 1% in April except where the tenancy began on or after 8 July 2015 (the date of the policy announcement). Such rents, which will remain frozen in 2016/17, will see their first rent reduction in April 2017.

The charging of higher rents for higher earners is due to be enforced by Government from April 2017 and will be addressed in next year's business plan. Information about how this policy will work will be communicated to tenants as it is released by Government.

ii. Community Heating

Heat meters are currently being installed to all 6,000 homes serviced by the Community Heating network. The new heat metering installation programme started in April 2014 and is set to take around 3 years to complete. This will result in more customers having a choice about the amount of heat they consume and therefore the amount they pay for their heating.

The community heating service charge will be held at the current rates for 2016/17 with no increase. This will apply to all heat metering charges and the weekly charges for tenants still receiving an unmetered supply. Although our long term pricing strategy to utilise reserves along with relatively small annual price increases to reduce the annual trading deficit remains at the heart of our planning, the trading position on the account along with the security of having funds held in reserve to mitigate risk, will make it possible to hold prices for 2016/17.

Usually for properties connected to the new metering system both the supply of heating and hot water can be measured and paid for through the meter. However in Sheltered Housing there are some schemes where the hot water supply from the boiler house is on a different piping network which cannot go through the new meters in the dwellings. For these dwellings, only the heating supply can be measured and paid for via the meter, and a new additional standard weekly charge of 70p will need to be raised to cover the cost of the hot water. This is not an *additional* charge compared with what others will pay; it is the amount that is 'saved' by not paying for hot water via the meter. Meters for Sheltered Housing schemes are planned to be installed in 2016/17.

iii. Other Charges

Garage rents were frozen in 2014/15 to address customer concerns about high rent levels and poor garage maintenance. It is proposed that garage rents remain frozen in 2016/17.

Housing related support subsidy was withdrawn in full from the Sheltered Housing Service from 2015/16. A decision was made on 14th September 2015 to implement a new charging model for the Council's Sheltered Housing Service which is intended to be cash neutral and so allow current service levels to continue. It sees a reduced weekly charge although tenants in receipt of housing benefit have to make a larger contribution than before because the warden and citywide alarm services, which are integral to Sheltered Housing, are not covered by housing benefit. This new charge was implemented from 30th November 2015.

On 19th January 2015 a decision was made to adjust the burglar alarm charge (covering the installation, battery replacement and repair of alarms) from £2.35/ week to £1.61/ week. This price review followed the appointment of a new contractor for the installation of alarms at a lower installation price. A new procurement is underway again; this time for both the installation and maintenance of alarms. When this service has been procured and the new prices are known it is recommended that the burglar alarm should again be reviewed to ensure the charge continues to reflect the actual cost of the service.

The furnished accommodation charge will remain unchanged for 2016/17.

4. HOMES

a) Overview

This section of the HRA Business Plan is interested in the physical condition of council homes and estates. This section includes the capital investment into homes such as new kitchens, bathrooms and boilers as well as revenue repairs.

b) Risks

i. Investment Backlog

The investment backlog is investment to homes which is due now. The investment backlog is a key risk to the plan because delaying investment work increases the likelihood of responsive repairs being required in the interim. Responsive repairs are by their nature more expensive than planned works and so the later in the plan the backlog is tackled, the higher the overall cost of the business plan.

Work Element	Investment Backlog (as at end 2015/16)
Bathrooms, Kitchens, Windows, Doors	£19.6m
Full & Partial Decent Homes Omissions	£26.1m
Heating	£3.6m
Roofs	£76.0m
Electrics	£27.1m
Total	£152.4m

In 2011, when the first business plan was drafted, the investment backlog was estimated to be around £257m. By March 2016 this is expected to have reduced to £152m.

ii. Unfunded Items

Unfunded items are investment items that were deemed unaffordable when the first business plan was developed in 2011 and so were not factored into the 30 year investment programme at all.

Each year as the business plan is reviewed efforts are made to incorporate elements of this into the five year programme. This year, because of the Government's funding reductions, such opportunities are limited as the five year programme has to reduce in size. However a small amount of funding has been possible for high priority schemes such as energy efficiency work to non-traditional properties, the communal areas of maisonettes and plastering.

The following table provides an update on those items which were reported as partially or fully unfunded in the last business plan (2015/16):

Investment Area	Funding position
Energy efficiency- non-traditional properties	A provision is now made in the 2020/21 budget to take total provision to £16m (now fully funded)
Communal areas of maisonettes	£10m provision towards a total estimated £15m cost now exists in the five year plan.
Externals – canopies, pointing and render	£6m out of a total funding requirement of around £12m exists in the five year plan.
Work to complement Streets Ahead – communal drives, street lighting etc	In the 2015/16 update a £4m provision was made for 2019/20 and this remains. Total costs for this works are estimated to be around £35m
Additional environmental works – drying areas, steps, paths, handrails, walls etc	£26m of an estimated £29m investment need was previously factored into the 5 year plan. No additional budget is provided at this update and £14m is now slipped into the later years to leave a £12m provision for higher priority works.
Plastering and internal doors	A small provision for plastering is made in the 5 year programme but there is no provision for internal doors in the 5 year programme or in the longer term business plan.
Non-dwelling assets	Investment need not yet known and no provision in the plan.

Following a consultation in October and November 2015 it is proposed that more time is allowed to consult and plan future external environmental improvements. Taking more time to plan works to drying areas, steps, paths, walkways, handrails and boundary walls will ensure we make sound and cost effective investment choices and will help to provide a reduction in spending in the next 5 years.

c) Key Developments

i. 5 Year Core Investment Programme

The aim of the investment programme has been to create an affordable plan to match expected resources and to try and address as much of the higher risk backlog elements as possible in order to minimise costs overall.

The five year investment programme will continue to prioritise and deliver, as planned, improvements to people's homes (kitchens, bathrooms, windows, doors, roofs, boilers, communal areas etc) to make sure homes continue to be well maintained.

Key Commitment	Progress Update
Addressing 90% of the 2012 heating backlog by March 2017	There were 13,000 obsolete heating systems in 2012, of which more than 11,000 (85%) will have been addressed by March 2016. All remaining properties are due to refusals or no access and will be picked up in future programmes. Since the programme started a further 1500 properties have become obsolete. Subject to access, these will all be completed in 2016/17.
All higher priority roofs to be addressed by March 2019	All roofing projects have been procured and are expected to progress quickly in 2015/16.

Replacement kitchens bathrooms windows and doors for 7,000 of 12,800 homes still needing some work by March 2019	The kitchen, bathroom, windows & doors projects are out to tender and contracts for these will be awarded in January 2016.
Electrical backlog to be addressed after Decent Homes, heating and roofs	A detailed new electrical strategy has now been developed which outlines a programme of improvements to ensure electrics are maintained in line with the latest safety requirements and to modernise properties to bring them to a standard fit for the future. The strategy forecasts lower costs than previously anticipated which can now be built into our long term budget plans.
Refurbishment of communal areas to all 12,000 low rise flats by March 2019	The communal area contracts are due to be awarded by the end of December 2015. Scoping work has begun on the investment needed in the communal areas of maisonettes. Detailed business cases will be brought forward following the conclusion of surveying and analysis.
Garage strategy	A project group has been established and project/communication plans are currently being put in place. The initial phase will be demolition and a further individual cabinet member decision is required to proceed but it is hoped that work will commence in Q3 and complete at the end of Q1 2016/17 with the refurbishment works starting towards the middle of 2016.

Over the next 5 years, and as a result of the funding reductions imposed by Government, it is proposed to allow some slippage to the five year investment programme through the natural movement of planned work. In a work programme of around £50m/ year with the involvement of a number of different contractors some projects are delivered more quickly than others. Project delays will be managed to deliver a small underspend (in year 5) to contribute to the savings needed.

ii. 30 year need to spend assumptions

As a result of the funding reductions announced by Government through the Summer Budget 2015 it is proposed to make some changes to our long term planning assumptions. These changes were consulted on during October and November 2015.

- **Bathrooms** - Once we have refurbished all bathrooms as planned we propose to replace them every 25 years. The national benchmark is 40 years but we had previously recommended that both kitchens and bathrooms could be replaced every 20 years. Changing to 25 years as standard will make savings and ensure we're not replacing decent bathrooms just because they are 20 years old. We will still repair or replace a bathroom that fails no matter how old it is.
- **Windows** – Continue to upgrade all windows to uPVC as planned over the next 10 years but after that assume window replacements will involve pane replacement/ re-glazing instead of replacing the whole window and frame. The 'Sheffield Standard' of wind and weather-tight double-glazed windows will still be met under this proposal.
- **Central heating systems** – Continue to replace boilers every 15 years as before but, from 2020/21, it is proposed that instead of replacing radiators and pipework in all properties every 30 years we will prioritise those which need them to avoid

replacing radiators that are in good working order. We will maintain our commitment that all homes have efficient and safe heating systems.

From 2016/17 onwards current, known, no-access/ refusal rates will also be built into our long term budget plans for replacement assumptions for kitchens, bathrooms and heating systems.

iii. Stock Increase Programme

In the 2015/16 update the Council set out its ambition to deliver 1,000 new/ replacement council homes by 2019/20. This included provision for the building of new council homes, acquisition of new build, acquisition of former council homes and acquisition of high priority homes such as 4-beds and long term empty properties. Since that update the HCA has confirmed the Council has been successful in bidding for £4m additional borrowing capacity to deliver 41 new council homes and this too is now incorporated into that target.

On 16th November phase 1 of the Council's new build programme, including 51 new homes located at two sites in Darnall and Manor, started on site. Phase 2 includes proposals for the delivery of up to 38 new build properties on the Weakland estate, Birley, starting on site in spring 2016 and completing in 2016/17. Budget provision has been made for further phases taking total new build numbers to around 184.

By the end of 2015 around 200 of the 1,000 new/ replacement council homes have been delivered including 27 new build Sheffield Housing Company acquisitions, 23 new build units acquired at Fox Hill, 13 four bed acquisitions and 31 properties which had previously been classed as 'long term empty'.

In 2016/17 the Council's commitment to optimising the number of new /replacement council homes becomes ever more important as the city's social housing numbers will be eroded much more quickly in the coming years, not just through *Right to Buy* and '*Pay to Stay*' but also through the Government's extension of the *Right to Buy* to Housing Association tenants and the sale of '*vacant high value local authority housing*' to fund it.

The rent reductions announced by Government through this year's Summer Budget have the effect of reducing the viability of the stock increase programme such that fewer homes can be delivered with forecast resources.

In order to maintain the programme at its current rate it is therefore proposed that an Affordable Rent will be used for all new/ replacement homes, where this is allowed by Government, and not restricted to high priority homes such as new build and 4 beds. The use of Affordable Rent for acquired homes on traditional council estates has, until now, been resisted partly because of concerns about introducing different rent levels for neighbouring council properties. However, under the Government's new *Pay to Stay* proposals this will become a reality in 2017/18 anyway.

When details of the extension of the *Right to Buy* to Housing Association tenants, and the sale of *vacant high value council housing* to fund it, is announced by Government the most effective way to use council resources to protect social housing numbers, including some elements of the stock increase programme, will need to be reviewed.

iv. Photovoltaics (PV) on Roofs

In early 2015 the Council set out its proposals to pursue the option of installing up to 6,000 photovoltaic panels on council housing roofs over the next 5 years, via the roofing programme, in order to bring in over £30m subsidies from energy companies to offset costs, to create or maintain 250 jobs and reduce tenants' energy bills.

The Council's preferred approach for funding the project was through the Housing Revenue Account although other opportunities were being explored such as through 'rent a roof' schemes.

On 27th August the Government issued a consultation proposing reductions to subsidy (Feed in Tariff) rates payable for new PV installations from January 2016. Confirmation of significant reductions to subsidy rates was then provided on 17th December. The effect of these reductions will be to render the installation of PV unviable through this route. On that basis it is recommended the delivery of PV through the HRA is considered closed although the Council will continue to support tenants who seek to access subsidised PV through private sector suppliers.

Removing the PV scheme from the programme reduces, by £20m, the borrowing requirement of the HRA and partially alleviates the cash flow problem created by the rent reductions set out in the Welfare Reform and Work Bill.

d) Other Developments

i. Regeneration

Phase 3c of the Arbourthorne Fields redevelopment scheme was declared for demolition on 2nd November 2015. This is the final phase of the scheme.

i. Revenue Repairs

In 2015/16 the budget for repairs is £31.9m. This is expected to overspend slightly because of a high number of vacant properties in the early part of 2015/16. Call centre costs also rose in 2015/16 in order to improve customer experience.

It is estimated that in the coming years the repairs budget will benefit from the high levels of capital investment works being made to roofs, boilers etc. Newer roofs and boilers require fewer repairs jobs and from 2017/18 the budget is reduced accordingly.

In light of Government's funding reductions there will be a need for a further analysis of the repairs budget in the coming months to identify choices that will see even fewer repairs required in future and to identify new ways of working to release efficiencies. For example the decision to restrict the re-housing of tenants re-housed less than two years ago should benefit the vacant repairs budget. The development of a repairs strategy will be undertaken in consultation with tenants during 2016/17.

ii. Community Heat Metering

The community heat metering installation programme began in April 2014 and is set to take around 3 years to complete. By the end of March 2016 it is estimated that around 4,000 new meters will have been installed, increasing to around 6000 by the end of March 2017.

e) Financial Summary

The table below sets out the proposed indicative capital programme over the next 5 years of the business plan. It adds a new 'year 5' resource allocation for 2020/21 and the 2015/16 column shows the anticipated outturn.

<i>HRA Programme</i>	<i>2015/16 Outturn</i>	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>Total 2016- 2021</i>
Essential investment work (health & safety, etc)	3.1	2.3	1.7	1.0	0.6	0.8	6.4
Adaptations & Access	1.9	1.9	1.9	2.0	2.2	2.5	10.5
Regeneration	2.1	0.8	0.0	0.0	0.0	0.0	0.8
Garages Capital	0.0	2.3	1.2	0.0	0.0	0.0	3.5
Waste	0.1	2.1	1.1	0.0	0.0	0.0	3.2
Community Heating	1.2	0.9	0.4	1.1	1.2	1.4	5.0
Area Investment Environmentals	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Heating & Insulation	9.5	10.9	7.1	7.6	8.1	8.3	42.0
Roofs & externals	26.6	28.7	25.7	23.1	13.3	11.6	102.4
Communal areas investment	1.8	6.6	6.0	3.4	5.2	5.0	26.2
Electrics	0.0	1.8	6.9	6.9	6.9	4.7	27.2
Kitchens, Windows, Bathrooms & Doors	1.1	11.7	11.3	7.3	6.6	17.3	54.2
Other planned elementals	0.1	0.3	2.0	2.0	4.3	0.0	8.6
Natural Slippage						(5.0)	(5.0)
Programme Management	3.4	3.2	3.2	3.2	3.2	3.2	16.0
Sub-Total Core Investment Programme	52.9	73.5	68.5	57.6	51.6	49.8	301.0
New Build and Acquisitions	19.4	25.3	18.1	16.9	17.3	13.1	90.7
Overall Total HRA Programme	72.3	98.8	86.6	74.5	68.9	62.9	391.7

The repairs budget is set out in Appendix B.

5. TENANT SERVICES

a) Overview

This section of the business plan is concerned with services provided to tenants. It includes services such as tenancy management, income management and re-housing services together with tenancy enforcement (ASB), supported housing, and estate services.

b) Risks

A requirement in the Housing and Planning Bill for social housing landlords to charge a higher rent for higher earners has the potential to bring with it significant resource implications for some tenant services in the coming years although the absence of information from Government about how the policy will work make the costs impossible to quantify at this time.

The Summer Budget set out the Government's intention to review the use of lifetime tenancies. Provisions for this are contained in the Housing and Planning Bill. This has the potential to adversely affect the sustainability of traditional council estates and will be considered for next year's review.

The implementation of the Housing Plus model will involve a restructuring of many parts of the Housing and Neighbourhoods service to improve the experience of and the support available to tenants. This process will be managed carefully to minimise disruption to services during the transition.

c) Key Developments

i. Income Management

For the three years 2012/13- 2014/15 the budget for rent collection and the support of tenants through welfare reform rose significantly. Supporting tenants through Welfare Reform has included:

- Supporting tenants to claim Discretionary Housing Payments – 2,161 applications in 2015/16 (as of November 2015)
- Administration of the HRA Hardship Fund – in 2015/16 £73k payments made in November saving the HRA over £200k and helping more than 200 tenants remain in their home
- Continued work in preparing tenants for Universal Credit by providing advice and support on budgeting and managing their money.
- Establishing budgeting accounts for tenants – 44 accounts in use as of October 2015 with more being added all the time
- Funding for the independent debt advice worker which has resulted in 114 cases being referred between June 2014 and June 2015, with the project paying for itself in reduction of arrears alone.
- Supporting 117 tenants to downsize in the first 8 months of 2015/16

In 2016/17 the Council will be leading on the support in the city for tenants affected by Universal Credit. Two support areas identified by the Department for Work and Pensions are budgeting support and digital inclusion.

A net pressure of £20k/ annum has been factored into the business plan from 2016/17 in response to a consultation in January 2015 by HM Court Service for an increase in court fees. Separately, a move from quarterly to annual rent statements for most tenants is underway. The intention is for more tenants to receive their statement annually to make savings on stationery, staff time, printing and postage.

ii. Make Best Use of Homes

Cabinet approved a new Allocations Policy in March 2013. Some elements of the policy have already been introduced as amendments to the current Lettings Policy pending implementation of the new policy in April 2016. The 2015/16 Cabinet approved budget for Allocations Policy implementation in 2015/16 was £115,000 with expected efficiencies of £50,000 per annum related to vacant rent loss applied to future years. Delays to the project mean a budget of £99,500 will now be required to cover the first 3 months of 2016/17.

Aspects of the new policy which have been gradually incorporated into the current policy include re-designation of age designated properties, changes to the registration process and re-housing restrictions for those re-housed less than two years ago. These changes will lead to more stable communities whilst reducing the number of properties that will need re-letting and any associated repair costs and rent loss.

A new Choice Based Lettings (CBL) ICT system has been in operation since October 2013. This system is being developed so it will support the new allocations policy and will be in place for April 2016 in line with the implementation of the policy.

iii. Housing Plus

Housing Plus proposals were approved in March 2014 in order to establish a value for money council housing service which supports the Council's strategic objectives and design principles. Work has been on-going since then to continue to develop the Housing Plus approach through the test phase in the South East of the city with key processes being designed for this new way of working. The implementation of Housing Plus is expected from April 2016.

The anticipated long term financial benefits to the HRA remain broadly the same as set out in last year's update. Revisions have been made in order to update cost and saving forecasts.

Housing + Summary	2014/15 outturn	2015/16	2016/17	2017/18	2018/19 onwards
Costs	£ 285,484	£ 1,456,000	£ 1,339,049	£ 505,600	£ 283,100
Savings	£ -	£ -	£ 300,487	£ 637,512	£ 791,462
Net	£ 285,484	£ 1,456,000	£ 1,038,562	-£ 131,912	-£ 508,362

The budget for the new Housing Plus model, once implemented, has been assumed to be the baseline (do nothing) budget. As the project approaches the implementation phase we are able to more accurately anticipate the costs of the new service and have reduced planned budgets to release a small ongoing saving for the HRA. The true cost of the service will not be known until all the recruitment, selection and VER/VS processes have concluded.

iv. Attractive Neighbourhoods

Green and Open Space Management

In October 2014, Cabinet approved the delivery of housing grounds maintenance by a single service, achieved by the transfer of housing estate officers to the Parks and Public Realm service, and on 1st May 2015 the new arrangements were implemented.

This transition means the transfer of £651,961 per annum direct costs from the Housing Service to Parks charged back through the Service Level Agreement, £42k savings built into budgets from 2015/16 as a result of the new integrated service and savings of £50k per annum for 3 years remaining profiled from 2016/17.

Waste Management

Since 2012, a number of estate services initiatives have commenced with the aim of tackling the high cost of fly-tipping and efficiently keeping estates tidy.

Initiative	Objective	Progress	Next Steps
Bulky Waste	Deliver savings to fund Education & Enforcement initiatives	2015/16 savings target expected to be exceeded.	Longer term the bulky waste service should collect from the homes for flats and maisonettes to reduce risk of abortive calls & duplication of effort.
Dry Stores	Improve safety and efficiency by linking bulky waste and new recycling facilities	380 dry stores across the city have been closed and budget reduced in line with this.	Budget to be reviewed as is dependent on recycling provision and the bulky waste collection service.
Investment in waste facilities	Reduce the incidence & cost of fly tipping and high cost of chute clearance	New tipping contractors have been procured.	Work to establish if the capacity at blocks and recycling provision is correct. Business case for chute closures to be developed.
Education & Enforcement	Reduce the incidence and high cost of fly tipping	Four temporary waste support officers started in May to undertake the 'Love Where You Live' campaign followed by a programme of education and enforcement in hotspot areas.	The success of the education & enforcement work to be evaluated as should reduce the amount of estate officer time spent clearing black bags /fly tipping from estates/ walkways and fewer calls to unblock chutes.

The business plan currently assumes a £100k budget for Education and Enforcement work. It is assumed this will continue into 2016/17 by which time the project will have been evaluated and decisions taken on the effectiveness of this work.

A review of estate services commenced in 2015/16 and will look to make proposals for the future service and how it is structured and delivered. The purpose of the review is to ensure we are providing an efficient estates service that offers the best outcomes for customers.

d) Other Developments

i. Community Fund ('Going Local')

In 2015/16 Going Local was replaced with a local Community Fund and a local enhanced maintenance allowance for the area. The criteria for the use of Community Fund monies has been reviewed this year and shared with Local Area Housing Forums. The areas' enhanced maintenance allowance process has also been developed.

ii. Digital Inclusion

Universal Credit is to be introduced in Sheffield from 2016 with an expectation by Government that the majority of applicants will make their claim online. The capability of council tenants to access the internet is therefore more important than ever. In 2015 just over 1,000 free IT classes have been delivered to 5000 attendees in Sheffield at 38 venues and to 700 unique learners as part of the Digital Boost Project. These classes have been delivered locally across the city and have been set-up and varied according to demand. It is proposed that this Digital Inclusion service will continue in 2016/17.

Work has taken place in 2015/16 with partners and area teams to identify community buildings that are suitable for installing communal Wi-Fi to ensure local sustainability. Two pilot sites will also allow us to test how we can make best use of this facility to benefit tenants and their households in the local area and will help to inform decisions on the roll out to other locations. This work forms part of the Council's wider digital inclusion agenda.

iii. Employability and Apprentice Scheme

Cabinet approved the establishment of a Housing Employability and Apprentice Scheme within the Council Housing Service on 18th March 2015.

20 apprentices have been recruited to a pilot apprenticeship scheme in 2015/16. The apprentice scheme will be developed year on year in line with the apprentice framework. The Housing and Neighbourhood Service has also been working with Lifelong Learning Skills and to provide direct work experience through the Ambition SCR scheme. The placements are referrals from the Job Centre for 18-24 year olds claiming Job Seekers Allowance and will be offered from all teams within Housing and Neighbourhood service.

e) Financial Summary

The tables below set out the profiled investment and savings for tenant services over the next 5 years of the business plan including the 2014/15 outturn and the anticipated outturn for 2015/16.

Income Management							
Additional Staff (2014)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	+110,000	-	-	-	-	-	-
Savings	-	-46,000	-	-	-	-	-
Total investment & savings	+110,000	-46,000	-	-	-	-	-
Actual outturn	-	-	-	-	-	-	-
Forecast outturn	-	-	-	-	-	-	-
Debt Advice Worker	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	-	+5,000	+5,000	+5,000	+5,000	+5,000	-
Savings	-	-	-	-	-	-	-
Total investment & savings	-	+5,000	+5,000	+5,000	+5,000	+5,000	-
Actual outturn	-	-	-	-	-	-	-
Forecast outturn	-	-	-	-	-	-	-
Training on Welfare Benefits	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	-	-	+2,000	-	-	-	-
Savings	-4,000	-	-	-2,000	-	-	-
Total investment & savings	-4,000	-	+2,000	-2,000	-	-	-
Actual outturn	-	-	-	-	-	-	-
Forecast outturn	-	-	-	-	-	-	-
Jam Jar Accounts	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	+15,000	-	+2,000	+28,000	-	-	-
Savings	-	-11,000	-	-	-5,000	-5,000	-20,000
Total investment & savings	+15,000	-11,000	+2,000	+28,000	-5,000	-5,000	-20,000
Actual outturn	-	-	-	-	-	-	-
Forecast outturn	-	-	-	-	-	-	-
Direct Debit	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	+25,000	-	-	+25,000	-	-	-
Savings	-	-25,000	-	-	-	-	-
Total investment & savings	+25,000	-25,000	-	+25,000	-	-	-
Actual outturn	-	-	-	-	-	-	-
Forecast outturn	-	-	-	-	-	-	-
Texting	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	+20,000	-	+10,000	-	-	-	-
Savings	-	-10,000	-	-10,000	-	-	-
Total investment & savings	+20,000	-10,000	+10,000	-10,000	-	-	-
Actual outturn	-	-	-	-	-	-	-
Forecast outturn	-	-	-	-	-	-	-
Hardship Fund	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	+450,000	-	-	+300,000	-	-	-
Savings	-350,000	-	-	-	-320,000	-80,000	-
Total investment & savings	+100,000	-	-	+300,000	-320,000	-80,000	-
Actual outturn	178,093	-	-	-	-	-	-
Forecast outturn	-	137,708	-	-	-	-	-

Total Income Management	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	+620,000	+5,000	+19,000	+358,000	+5,000	+5,000	-
Savings	-354,000	-92,000	-	-12,000	-325,000	-85,000	-20,000
Total investment & savings	+266,000	-87,000	+19,000	+346,000	-320,000	-80,000	-20,000
Actual outturn	3,126,240	-	-	-	-	-	-
Forecast outturn	-	3,146,721	-	-	-	-	-

IMU Court Costs	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Additional court fees pressure	-	-	+20,000	-	-	-	-
Actual outturn	-38,290	-	-	-	-	-	-
Forecast outturn	-	-25,660	-	-	-	-	-

Supported Housing	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment (support for under-occupiers)	-	+5,000	+7,000	-	-	-	-
Savings (support for under-occupiers)	-22,000	-	-	-5,000	-	-	-7,000
Total investment & savings	-22,000	+5,000	+7,000	-5,000	-	-	-7,000
Actual outturn	2,142,713	-	-	-	-	-	-
Forecast outturn	-	2,319,844	-	-	-	-	-

Allocations Policy Implementation	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Increases to budget	+80,000	-	-	-	-	-	-
Reductions to budget	-	-105,000	-15,500	-	-	-	-
Total increase & reduction to budget	+80,000	-105,000	-15,500	-	-	-	-
Actual outturn	49,703	-	-	-	-	-	-
Forecast outturn	-	230,906	-	-	-	-	-

Housing+	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Project team	+334,000	-88,000	+4,000	-27,500	-222,500	-	-
VER/VS costs	-	+1,000,000	-1,000,000	-	-	-	-
Training and recruitment	-	+10,000	+84,200	-94,200	-	-	-
Mobile ICT hardware	-	+100,000	+398,037	-498,037	-	-	-
Mobile ICT licences, charges and support	-	+100,000	+396,812	-213,712	-	-	-
Total investment & savings	+334,000	+1,122,000	-116,951	-833,449	-222,500	-	-
Actual outturn	285,484	-	-	-	-	-	-
Forecast outturn	-	1,456,000	-	-	-	-	-

Vacants Management	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Savings: H+ non-staff savings (admin costs)	-	-	-983	-983	-983	-	-
Savings: H+ non-staff savings (B&Q vouchers)	-	-	-2,360	-2,360	-2,360	-	-
CBL vacant management efficiencies	-32,000	-	-	-	-	-	-
Total investment & savings	-32,000	-	-3,343	-3,343	-3,343	-	-
Actual outturn	1,613,123	-	-	-	-	-	-
Forecast outturn	-	-	-	-	-	-	-

Rehousing	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Non-staff cost savings (turnover): admin	-	-	-2,623	-2,622	-2,622	-	-
Total savings	-	-	-2,623	-2,622	-2,622	-	-
Actual outturn	1,102,408	-	-	-	-	-	-
Forecast outturn	-	1,164,485	-	-	-	-	-

Tenant Services - Green Open Space	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Open Space SLA - Total							
Investment	-	+597,630	+54,331	-	-	-	-
Savings	-	-42,000	-50,000	-50,000	-50,000	-	-
Total investment & savings	-	+555,630	+4,331	-50,000	-50,000	-	-
Actual outturn	2,218,006	-	-	-	-	-	-
Forecast outturn	-	2,698,518	-	-	-	-	-

HRA Cleared Sites	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	-	-	-	-	-	-	-
Cleared sites savings	-50,000	-50,000	-	-10,000	-	-10,000	-15,000
Total investment & savings	-50,000	-50,000	-	-10,000	-	-10,000	-15,000
Actual outturn	249,981	-	-	-	-	-	-
Forecast outturn	-	200,000	-	-	-	-	-

Estate and Environmental Services	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Bulky Waste							
Investment	-	-	-	-	-	-	-
Savings	-45,000	-55,000	-	-	-	-	-
Total investment & savings	-45,000	-55,000	-	-	-	-	-
Actual outturn	105,145	-	-	-	-	-	-
Forecast outturn	-	135,295	-	-	-	-	-
Dry Stores							
Investment	-	-	-	-	-	-	-
Savings	-54,000	-50,000	-	-	-	-	-
Total investment & savings	-54,000	-50,000	-	-	-	-	-
Actual outturn	138,583	-	-	-	-	-	-
Forecast outturn	-	73,197	-	-	-	-	-
Education and Enforcement							
Investment	-	-	-	-	-	-	-
Savings	-50,000	-	-	-	-	-	-
Total investment & savings	-50,000	-	-	-	-	-	-
Actual outturn	46,688	-	-	-	-	-	-
Forecast outturn	-	140,507	-	-	-	-	-

Tipping Charges	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Budget pressures (landfill charge/contract costs)	-	+27,000	+24,000	-	-	-	-
Savings	-38,000	-	-	-36,000	-36,000	-	-
Total investment & savings	-38,000	+27,000	+24,000	-36,000	-36,000	-	-
Actual outturn	376,645	-	-	-	-	-	-
Forecast outturn	-	320,801	-	-	-	-	-
Estate and Environmental Services Team Savings Requirements	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Savings Requirement	- 78,000	- 128,000	- 127,000	- 150,000	- 125,000	- 75,000	- 75,000
Block Cleaning Investment	-	+50,000	+25,000	+25,000	+50,000	-	-
Staff savings from flytipping	-50,000	-49,000	-48,000	-	-	-	-
Total Investment & savings	-50,000	+1,000	-23,000	+25,000	+50,000	-	-
Savings requirement carried forward	- 128,000	- 127,000	- 150,000	- 125,000	- 75,000	- 75,000	- 75,000

Community Fund	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	-	-	-	-	-	-	-
Transfer to investment programme for communal areas	-	-200,000	-	-	-	-	-
Transfer from consultative budget	-	+42,000	-	-	-	-	-
Adjustment for new Enhanced Maintenance allowance	-	-70,000	-	-	-	-	-
Total adjustments to create Community Fund	-	-228,000	-	-	-	-	-
Consultative Budget	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	-	-	-	-	-	-	-
Transfer to Community Fund	-	-42,000	-	-	-	-	-

Tenant Services - Other	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Digital Inclusion							
Investment	+15,000	-	-	-	-	-	-
Savings	-	-	-	-	-	-	-
Total investment and savings	+15,000	-	-	-	-	-	-
Actual outturn	20,331	-	-	-	-	-	-
Forecast outturn	-	32,164	-	-	-	-	-
Training and Employment	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment	-	-	-	-	-	-	-
Savings	-	-	-	-	-	-	-
Total Investment and savings	-	-	-	-	-	-	-
Actual outturn	739,626	-	-	-	-	-	-
Forecast outturn	-	514,144	-	-	-	-	-

6. DEBT & TREASURY MANAGEMENT

a) Overview

This section of the HRA Business Plan concerns the management of housing debt.

b) Risks

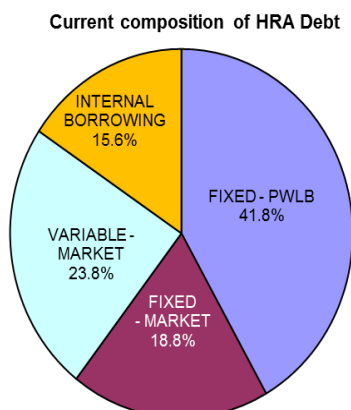
The HRA currently supports a Capital Financing Requirement of £350m of which nearly 40% is exposed to interest rate variations. The role of treasury management is to manage the HRA's exposure to interest rate fluctuation which is a key risk to the HRA Business Plan. However, it is also important to retain a degree of flexibility to take advantage of borrowing at low interest levels should opportunities arise.

c) Key Developments

i. Loan Portfolio

In 2012 the HRA had £122m internal borrowing. Internal borrowing is the Council's use of cash reserves to finance capital expenditure instead of borrowing.

By March 2014 internal borrowing had reduced to £47m and with the reduction the HRA benefited from reduced interest rate risk and more cost certainty for the loan portfolio. Since March 2014 internal borrowing has risen slightly as the Council has had sufficient cash reserves to fund expenditure without the need to borrow externally and invest cash with counterparties offering low returns.



The effect of the Government's recently announced rent reductions will be to quickly deplete these balances so there will be a need to replace in full the internal borrowing with external borrowing. To help reduce the level of interest rate risk this borrowing would use fixed rate loans. It is currently expected that this will take place during 2016/17- 2017/18. In addition to this the HRA will have to take on new external borrowing between 2017/18- 2019/20 to fund the stock increase programme.

ii. Business Plan Viability

The main viability test for the business plan is its capacity to repay debt over the life of the business plan. Having this capacity provides cover for interest rate rises and mitigates the need to refinance borrowing in times of high interest rates. It should be

noted that the HRA currently has some loans that mature beyond 30 years but has limited options to replace this borrowing within the 30 year timeframe due to the cost involved.

The rent reductions set out in the Welfare Reform and Work Bill reduce income into the plan and reduce the capacity of the plan to repay its debt. The risk of rising interest rates resulting in rising costs for the business plan as maturing debt is refinanced at higher rates will be mitigated by implementing further efficiency savings in the coming years.

iii. Borrowing Capacity

The HRA Business Plan is restricted in its borrowing by a debt cap imposed by Government. In late 2014/15 the HCA confirmed the City Council had been successful in bidding for £4m additional borrowing capacity taking total borrowing capacity to £44m.

The effect of the recently announced rent reductions will be to quickly erode cash reserves held by the HRA reducing the capacity of the HRA to fund viable self-financing schemes as well as its core investment programme. This creates a cash flow problem for the HRA in the next 5 years which is to be addressed by removal of the photovoltaic scheme from the programme, by allowing some natural slippage to planned programmes and by taking more time in planning and consulting on a future environmental improvements programme.

iv. Treasury Management Strategy

The aspiration of the business plan in relation to interest rate risk mitigation has been to make a transition from building the financial capacity for the repayment of debt over the 30 year life of the plan (which means that provision is typically back-ended) to a more robust approach whereby resources are set aside in line with the business plan's actual debt maturity profile. The latter approach offers the following benefits;

- Reduced exposure to interest rate risk in the short term, because *not* refinancing would always be an affordable option
- Additional borrowing capacity for stock increase in the medium term, because newly maturing debt can be refinanced to fund stock increase.
- Lower financing costs to the HRA, over the long term because new loans need only be taken on for self-financing schemes

It has been recognised that an immediate transition to this approach would put financial pressure on the investment programme in the short term and bring with it practical challenges such as the treatment of loans which are not currently forecast to mature within the 30 year life of the plan but in 2015/16 a transition to this approach over the medium term was planned. In light of the Government's rent reductions it will not now be possible to make such a transition, without significant impact on the investment programme, until efficiency savings have been made.

7. VALUE FOR MONEY

a) Overview

This section of the HRA Business Plan is interested in how the business plan can best achieve value for money. This includes reviews of overheads and support costs such as management, accommodation and Service Level Agreement (SLA) costs.

b) Risks

The risks associated with this section of the business plan continue to be that the efficiency targets built into the plan are not realised or offset by the emergence of unplanned cost pressures.

c) Key Developments

i. Long term savings following the rent reductions

The Government's Summer Budget and particularly the 1% rent reductions has significant impacts on HRA income and the financial health of the business plan. The Council's response in this business plan update has been to identify a series of long term savings options which improve the health of the plan. However it is estimated that around £6m/ year more savings will be required to return the plan to a financially viable position.

The priority over the coming years would then be to implement the approved savings and put in place a plan for meeting the required savings over the medium-longer term.

ii. Future of Council Housing Savings

In 2013/14 £1.2m efficiency savings were built into the business plan as a result of the Future of Council Housing integration. By the 2015/16 update report only £155k savings remained to be made. These remaining savings will be made through Service Level Agreement (SLA) reviews and a Managing Employee Reductions (MER) process.

iii. Repairs and Maintenance Contract

The current council housing repairs and maintenance contract with Kier Services Ltd is due to end on 31st March 2017. A decision was made in March 2015 by Cabinet to insource the council housing repairs and maintenance service from 1st April 2017. 'Mobilisation' work is taking place during 2015/16 and 2016/17 with an estimated budget of up to £4m.

The insourced repairs and maintenance service is expected to be fully operational from 2017/18. It is assumed that under the new model any efficiencies generated from repairs to council housing will be reinvested in the HRA and the anticipated savings from 2019/20 described in the report to Cabinet in March are now built into the HRA Business Plan.

iv. Other back-office savings and cost pressures

In line with the forecasts made over the last two years' business plan reports the budget for insurance liabilities can now be reduced in 2016/17 as the insurance fund is now fully funded. This reduces costs by £1.5m in 2016/17.

Similarly one-off costs in 2015/16 for the refurbishment of office space and the new finance system can be removed in 2016/17.

A pressure of around £500k is anticipated from 2016/17 resulting from changes brought in by the Pensions Act 2014 to the National Insurance rates employers in the public sector have to pay from April 2016.

A review of Council overhead costs delivered a £530k saving to the HRA in 2015/16 which will be built into budgets from 2016/17.

Appendix B

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2016-21
Revenue Account	Outturn						Total
INCOME (in £millions)							
Net income dwellings	(149.0)	(146.2)	(144.2)	(138.3)	(138.8)	(142.6)	(710.1)
Other income	(6.7)	(6.2)	(5.8)	(5.9)	(6.2)	(6.3)	(30.4)
Total	(155.7)	(152.4)	(150.0)	(144.2)	(145.0)	(148.9)	(740.5)
EXPENDITURE (in £millions)							
Homes - Repairs and maintenance	32.0	32.3	32.2	32.5	31.6	32.0	160.6
Homes - funding for Capital Programme	39.0	39.2	39.9	40.6	41.3	42.0	203.0
Tenant Services - Including Management	55.1	52.8	53.4	53.0	51.0	50.1	260.3
Interest on Borrowing	14.6	15.1	17.0	17.4	17.3	17.9	84.7
Total	140.7	139.4	142.5	143.5	141.2	142.0	708.6
Net Revenue Position	(15.0)	(13.0)	(7.5)	(0.7)	(3.8)	(6.9)	(28.9)
Opening Revenue Reserve	(10.7)	(5.3)	(5.4)	(5.6)	(5.7)	(5.9)	
Net Revenue Position	(15.0)	(13.0)	(7.5)	(0.7)	(3.8)	(6.9)	
Transfer to Capital Reserves	20.4	12.8	7.3	0.5	3.6	6.8	
Closing Revenue Reserve	(5.3)	(5.4)	(5.6)	(5.7)	(5.9)	(6.0)	

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2016-21
Capital Account	<i>Outturn</i>						<i>Total</i>
EXPENDITURE (In £millions)							
Total	72.3	98.8	86.6	74.5	68.9	62.9	391.7
FUNDED BY (In £millions)							
Major Repairs / Capital Reserve	61.1	85.7	78.0	54.2	45.0	48.7	311.6
Additional Borrowing	0.0	0.0	0.0	14.3	19.2	10.7	44.2
RTB Receipts	9.5	9.9	6.6	5.5	4.3	3.1	29.4
Other capital contributions	1.7	3.2	2.0	0.5	0.4	0.4	6.5
Total Funding	72.3	98.8	86.6	74.5	68.9	62.9	391.7

City Wide average weekly rent by bedsize

Bedsize	Average weekly rent		Decrease	
	2015/16	2016/17		
Bedsit	59.25	58.66	£0.59	1%
1 bed	67.36	66.69	£0.67	1%
2 bed	76.63	75.87	£0.77	1%
3 bed	85.78	84.92	£0.86	1%
4 bed	93.43	92.53	£0.89	1%
Total (all bedrooms average)	76.11	75.35	£0.76	1%

Note: The above rents are for illustrative purposes only as they are based on city wide averages. Actual individual property rents will vary from these figures. Both years' averages are calculated using current stock numbers to enable comparison.

Proposed Community Heating Charges from April 2016

1. Unmetered Heat

Bedsize	Full heating		Partial heating	
	Current Prices £/week	Prices April 2016 £/week	Current Prices £/week	Prices April 2016 £/week
Heating & hot water				
Bedsit	11.38	11.38	10.52	10.52
1 Bedroom	11.82	11.82	10.82	10.82
2 Bedroom	14.66	14.66	13.62	13.62
3/4 Bedroom	15.78	15.78	14.66	14.66
Heating only				
Bedsit	8.38	8.38	7.76	7.76
1 Bedroom	8.58	8.58	n/a	n/a
2 Bedroom	10.82	10.82	10.03	10.03

Note: For sheltered schemes the above prices are split into dwelling heating and communal heating. The communal element of charges will be a fixed £3.03 per dwelling per week in 2015/16.

2. Metered Heat

New schemes	Charge		Prices from April 16	
	Unit charge	pence per kwh	3.38	
Standard price	Standing charge	£ per week	4.00	
	*Unmetered hot water charge	£ per week	0.70	

Note: For sheltered schemes communal heating costs are no longer identified as element within heating metering charges, these will be covered through sheltered scheme service charges moving forward)

*Only for dwellings where hot water cannot be measured through the meter

HRA Financial Assumptions

The detailed financial model behind the HRA Business Plan includes a number of assumptions we have used to understand what resources will be available for council housing over the next five years in the context of the next thirty years. These baseline assumptions are listed below.

Revenue assumptions	Assumption
Homes – opening number of homes in 15/16	40,383
Homes - dwellings by 2043/44	34,995
Number of RTBs 2015/16	320
Total number of RTBs by 2044/45	5,120
Rents	-1% for years 1-4
Consumer Prices Index (CPI) of inflation	1.5% in 16/17, 2% from 17/18
Bad Debts	1% in 2015/16
Void rate	1.5% ongoing
Repairs	Increased by contractual inflation
HRA reserves are maintained in accordance with risk based reserves strategy	£5.3m in 2016/17

Debt assumptions	Assumption
Opening HRA Borrowing requirement on 1 st April '15	£346m
HRA borrowing limit	£390m
Interest rates on HRA debt	4.5%