

SHEFFIELD CITY COUNCIL

COUNCIL MEETING – 20TH FEBRUARY 2023

ITEM OF BUSINESS NO. 6 – HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN AND HRA BUDGET 2023-24

Motion and List of Amendments received by the Chief Executive

Motion to be moved by Councillor Douglas Johnson, seconded by Councillor Terry Fox

That, in accordance with the resolution passed by the Strategy and Resources Policy Committee at its meeting held on 7th February 2023 relating to the Housing Revenue Account (HRA) Business Plan and HRA Budget 2023-24, it be –

RESOLVED: That:-

- (a) the HRA Business Plan report for 2023-24, as set out in the Financial Appendix to the report, be approved;
- (b) the HRA Revenue Budget 2023-24, as set out in the Financial Appendix to the report, be approved;
- (c) rents for council dwellings be increased by 7% from April 2023, in line with the Regulator of Social Housing's Rent Standard;
- (d) rents for temporary accommodation be increased by 7% for 2023-24;
- (e) garage rents for garage plots and garage sites be increased by 7% from April 2023;
- (f) the sheltered housing charge be increased by 7% for 2023-24;
- (g) the burglar alarm charge be increased by 7% for 2023-24;
- (h) the furnished accommodation charge be increased by 7% for 2023-24;
- (i) the Hardship Fund be increased by a further £300,000 for 2023/24, to £450,000; and
- (j) no increase be made to the community heating charge at this time.

A. **Amendment to be moved by Councillor Fran Belbin, seconded by Councillor Denise Fox**

That the motion now submitted be amended by the addition of new paragraphs (k) to (q) as follows:-

This Council:-

- (k) regrets that the report plans to reduce the Stock Increase Programme (SIP) to 2,310, from the previous target of 3,100 new council homes by 2029 as set by the previous Labour administration, and believes that all options – including prudential borrowing, re-capitalisation/re-profiling, and different ownership models - must instead be considered to not only retain the figure of 3,100 but to go further still;
- (l) believes that tenants need to be much more engaged and empowered within decision-making and service delivery, and welcomes Labour's proposals to develop Housing Advisory Panels, bringing together all residents and linked directly into the Local Area Committees (LACs) and including a greater working relationship with all Registered Private Providers of Social Housing (Housing Associations), to make the Council more responsive and accountable to local needs;
- (m) believes that the Council should not accept a sub-standard repairs service, and that radical action is needed to deliver what is required, and, therefore, believes that investing more now to upgrade homes is not only the right thing to do for tenants, but will ultimately prove cost effective in bringing down the long-term repairs bill;
- (n) believes that the Council needs to be working in anticipation of a new change of government within the next 18 months, and a new Decent Homes standard this could bring; which will certainly require improvements to tackle damp and mould and ensure homes are warm and heated affordably;
- (o) notes that the Council is investing in existing homes to make sure that tenants live in warm and safe homes, including £62 million being spent to retrofit homes, including decarbonisation and bringing all homes up to at least EPC C Energy standard, helping residents to save on energy costs and contributing to net zero targets; and believes that, whilst this is hugely welcome, the total spend on Heating, Energy and Carbon Reduction should ideally be more ambitious and that options including securing external funding, recapitalisation, reprofiling and prudential borrowing, should be considered with the aim of increasing investment to £100 million, and that the additional investment must complement a programme of skills and job development;

- (p) believes the Council is faced with a stark choice between two options – either be ambitious with investment and deliver for Sheffield, or accept a managed decline with less council homes delivered to a poorer standard, and believes that only the former is an acceptable proposition for the city; and
- (q) believes that, in contrast with the current Government, the Council will always prioritise support for neighbourhoods and put housing needs at the top of our agenda to produce the strong, thriving neighbourhoods that Sheffield deserves.

B. Amendment to be moved by Councillor Penny Baker, seconded by Councillor Sophie Thornton

That the motion now submitted be amended by the addition of the following text after the words “RESOLVED: That”, and that the original paragraphs (a) to (j) be re-lettered as new paragraphs (o) to (x):-

This Council:-

- (a) thanks all the officers who have worked hard to formulate the Housing Revenue Account (HRA) business plan;
- (b) notes that this HRA business plan and budget is the first to have been put together under the new committee system, that all members of the Housing Policy Committee have been involved in this process and that regular briefings have taken place between the Chair, Deputy Chair and Spokesperson on the proposals;
- (c) believes that increasing the city’s affordable housing provision is crucial to tackling the Cost of Living crisis, reducing the numbers of people suffering from homelessness, and ensure that Sheffield remains an excellent place to live;
- (d) condemns the continuance of the Right to Buy scheme and the extension of the scheme to housing association tenants last year by the Government, believes that the scheme massively disincentivises the building of new social homes and has led to many former social homes later becoming private rented sector homes, and supports the national Liberal Democrat policy of devolving control of Right to Buy to local authorities;
- (e) notes the unfortunate reduction in the Stock Increase Programme target from 3,100 to 2,310, as a result of extremely high building cost inflation, and believes that the severe inflation of £2.4m on the Newstead site before construction has begun is illustrative of the challenges facing new build projects;

- (f) believes that increasing Council stock is not the only way to increase affordable housing provision in the city, and believes that with the regrettable reductions in the Stock Increase Programme, the Council must think imaginatively to provide affordable housing, which may involve:-
 - (i) considering how the Council's general fund could contribute to, or reduce the cost of, new homes and increased use of Sheffield Housing Company for affordable housing new build delivery; and
 - (ii) increasing the SIP target through shared ownership schemes such as the Owlthorpe scheme, which would provide affordable housing while reducing maintenance and financing charges to the HRA;
- (g) believes that previous Council administrations between May 2011 and May 2021 have not been up to the task of delivering affordable housing, as:-
 - (i) between 2019 and 2022, there was an estimated shortfall in affordable housing delivery of 2,251 units;
 - (ii) between 2016 and 2020, affordable housing units in the city suffered a net reduction, as completions were outstripped by right to buy sales; and
 - (iii) due to the failings in the Council's Housing Repair Service since insourcing, the current void rate is 3.4%, equating to roughly 1,300 homes – more than the reduction in the Stock Increase Programme target;
- (h) believes that while increasing council housing stock is crucial, the fastest way to improve the social housing provision in the city is to bring vacant council properties into a suitable state to be let, increasing capital investment to improve quality of existing homes to reduce high cost repairs and that cutting housing repairs to fund housebuilding is a false economy;
- (i) further notes that the continued high void rate places further pressure on the HRA budget through the loss of £1.2m in Council Tax payments on empty properties;
- (j) believes that improving the Housing Repair Service is central to ensuring that our tenants are not put in danger from overdue gas inspections, out of control damp and mould, and delayed fire safety repairs;

- (k) therefore welcomes the proposed increase in budget for the Housing Repairs Service, but notes that this must be met with improved results on customer satisfaction and reducing repair call volumes and voids;
- (l) reaffirms its support for the creation of an Alternative Disrepair Resolution Scheme (which will allow tenants to receive full compensation for disrepair claims) and its support of council tenants to directly employ contractors if a repair has been delayed, and urges the Housing Policy Committee to consider these proposals favourably when they come to Committee;
- (m) welcomes the positive engagement that has taken place with our Tenants' and Residents' Associations, and encourages the Housing Policy Committee to continue extending tenant engagement where possible;
- (n) believes that there are no easy answers when it comes to increasing affordable housing in the city, and that all parties must work together over the next year to tackle the housing crisis through proposals that are imaginative but realistic, and therefore resolves that:-

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