

# Council

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**Wednesday 4 February 2015**

**2.00 pm**

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

**The Press and Public are Welcome to Attend**

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## COUNCIL

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**Wednesday 4 February 2015, at 2.00 pm**  
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### MEMBERS OF THE COUNCIL

THE LORD MAYOR (Councillor Peter Rippon)  
THE DEPUTY LORD MAYOR (Councillor Talib Hussain)

1	<i>Arbourthorne Ward</i> Julie Dore Mike Drabble Jack Scott	10	<i>Dore &amp; Totley Ward</i> Joe Otten Colin Ross Martin Smith	19	<i>Mosborough Ward</i> David Barker Isobel Bowler Tony Downing
2	<i>Beauchief &amp; Greenhill Ward</i> Simon Clement-Jones 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 Qurban Hussain
3	<i>Beighton Ward</i> Helen Mirfin-Boukouris Chris Rosling-Josephs Ian Saunders	12	<i>Ecclesall Ward</i> Penny Baker Roger Davison Diana Stimely	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 Chris Weldon	22	<i>Shiregreen &amp; Brightside Ward</i> Peter Price Sioned-Mair Richards Peter Rippon
5	<i>Broomhill Ward</i> Jayne Dunn Stuart Wattam 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 Tim Rippon	24	<i>Stannington Ward</i> David Baker Katie Condliffe Vickie Priestley
7	<i>Central Ward</i> Jillian Creasy Robert Murphy Sarah Jane Smalley	16	<i>Graves Park Ward</i> Ian Auckland Steve Ayris Denise Reaney	25	<i>Stocksbridge &amp; Upper Don Ward</i> Jack Clarkson Richard Crowther Philip Wood
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> Harry Harpham 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 Alf Meade
				28	<i>Woodhouse Ward</i> Mick Rooney Jackie Satur Ray Satur

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John Mothersole

Chief Executive

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Contact:

Paul Robinson, Democratic Services

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## **PUBLIC ACCESS TO THE MEETING**

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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](http://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.

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## **FACILITIES**

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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.

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**COUNCIL AGENDA  
4 FEBRUARY 2015**

**Order of Business**

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**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 7<sup>th</sup> January 2015 and to approve the accuracy thereof.

**4. PUBLIC QUESTIONS AND PETITIONS AND OTHER COMMUNICATIONS**

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.

**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. DESIGNATION OF MONITORING OFFICER**

The Chief Executive to report.

**8. HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN UPDATE, HRA BUDGET AND RENT INCREASE 2015-16**

Report of the Chief Executive.

**9. NOTICE OF MOTION GIVEN BY COUNCILLOR LEIGH BRAMALL**

That this Council:-

- (a) welcomes the ambitious proposals that have been brought forward by Sheffield and Rotherham to create the first Advanced Manufacturing Innovation District in the UK;
- (b) notes that the aim is to create an Advanced Manufacturing cluster of international scale as well as expertise and welcomes that the Advanced Manufacturing Research Centre will soon be enhanced by the development of Factory 2050 which is a key project for the city;
- (c) recalls that Innovation Districts are a geographic area that combines research institutions, innovative firms and business incubators with the benefits of urban living, and unlike traditional science parks, these districts cluster cutting-edge research in geographic areas that are liveable, walkable, bike-able, and transit connected, to create an environment that actively fosters innovation;
- (d) welcomes that the Innovation District was announced at the first part of the Sheffield International Economic Commission launched by the present Administration;
- (e) believes that attracting Bruce Katz, Vice President of the Brookings Institute and author of "The Rise of Innovation Districts" and Kelly Kline, Economic Development Director in the city of Fremont, California, is a big coup for the City and reflects the ambitions of the Commission;
- (f) welcomes the positive reception for the Innovation District and International Economic Commission in local, regional and national media, which is important to enhancing the City's reputation on a national and international stage to attract investment into the city;
- (g) welcomes the partnership working with Rotherham Metropolitan Borough Council, the University of Sheffield and the Advanced

Manufacturing Research Centre for their work on the visit and the partnership working as part of the Innovation District;

- (h) thanks Sheffield Forgemasters, Alcoa and the Tata Proving Factory at Newburgh Precision for hosting visits as part of the event;
- (i) notes that work with Bruce Katz will continue to drive forward the Innovation District;
- (j) further thanks the Centre for Cities for their support over the coming year on the Commission; and
- (k) agrees to send a letter to Mr Katz and Ms Kline on behalf of the Council thanking them for visiting the city and their contribution to Sheffield's International Economic Commission.

**10. NOTICE OF MOTION GIVEN BY COUNCILLOR GEORGE LINDARS-HAMMOND**

That this Council:

- (a) recognises that the young people of Sheffield played no part in creating the financial crisis and is therefore appalled at the deep levels of cuts that this Government is subjecting them to;
- (b) condemns this Government's huge reduction in support for young people in all kinds of education, including the tripling of university tuition fees, the removal of Educational Maintenance Allowance, the removal of National Careers Advice funding and deep cuts to funding for 18 year olds in further education;
- (c) further opposes the deep cuts from central Government which affect this Council's ability to fund youth services and activities for young people;
- (d) believes that broken promises made to young people by The Rt. Hon. David Cameron MP and The Rt. Hon. Nick Clegg MP on many of these issues has fundamentally undermined the faith in the political process for many young people;
- (e) contrasts this Government's cuts to this Council's record of action for young people; creating apprenticeships, starting the innovative RISE internship scheme and helping match young people and local employers through the Skills Made Easy scheme;
- (f) supports the Labour Party's guarantee of a job for every young person out of work and plans for a transformation of vocational education;
- (g) resolves to campaign to highlight the gross unfairness of these cuts

and urges all young people to register to vote in the upcoming general election in order to make their voices heard; and

- (h) welcomes that The Rt. Hon. Ed Miliband, MP, highlighted the problems the Government's mismanagement of Individual Electoral Registration is causing, resulting in many people, including students, falling off the register and praised the actions of local partners in Sheffield who have taken action to address this issue including the universities, student union and the Council, and reiterates its support for the work of these organisations.

#### **11. NOTICE OF MOTION GIVEN BY COUNCILLOR VICKIE PRIESTLEY**

That this Council:-

- (a) condemns the current Administration for its ill-considered attempt to save money whilst putting lives and property at risk by reducing the gritting network on Priority 2 routes;
- (b) welcomes the u-turn to reinstate these routes following public pressure and a campaign led by the Liberal Democrats;
- (c) recognises that it is not possible to clear all roads in the first few hours after a snow fall;
- (d) recognises that citizens of Sheffield are willing to help themselves by clearing residential roads;
- (e) however, this task is made more difficult by the removal of 121 grit bins at a saving of only £82 per bin and the undermining of the snow warden scheme; this includes grit bins that have been removed from shopping parades and areas with high numbers of elderly population;
- (f) therefore calls upon the Administration to work with local residents to identify the optimum position for each bin; and
- (g) further calls upon the Administration to immediately reinstate the grit bins and provide the snow wardens with grit.

#### **12. NOTICE OF MOTION GIVEN BY COUNCILLOR JULIE DORE**

That this Council:-

- (a) notes the recent report by the London School of Economics "Were we really all in it together? The distributional effects of the UK Coalition Government's tax-benefit policy changes";
- (b) notes that the analysis from the report shows:

- (i) the outcome for those in the bottom half of incomes is in contrast to those in the top half of incomes, who gained from direct tax cuts, with the exception of most of the top 5 percent – although within this 5 percent group, those at the very top gained, because of the cut in the top rate of income tax;
  - (ii) in total, the changes are cost neutral and have not contributed to cutting the deficit; rather, the savings from reducing benefits and tax credits have been offset by the costs of raising the tax-free income tax allowance and lowering the top rate of income tax allowance, giving tax cuts to millionaires; and
  - (iii) the analysis challenges the idea that those with incomes in the top tenth have lost as great a share of their incomes as those with the lowest incomes;
- (c) believes that this report conclusively proves that we are not all in it together and the Government has made these cuts not to reduce the deficit but to redistribute money from the poorest to the wealthiest in society;
- (d) is extremely concerned about the impact that these policies are having in Sheffield and is concerned that child poverty is rising as a result and inequalities are increasing;
- (e) notes the recent research commissioned by the Council and published by Sheffield Hallam University, about the impact of welfare reform on Sheffield, which highlighted that:
  - (i) some local communities are hit by welfare reform five times harder than others;
  - (ii) just under half of the financial loss from welfare reform will fall on working households;
  - (iii) couples with children are losing an average of nearly £1,700 a year;
  - (iv) lone parents are losing over £2,000 a year; and
  - (v) men and women with health problems or disabilities are significantly disadvantaged;
- (f) believes this research proves conclusively that the cuts to welfare are hitting the poorest in our city the hardest;
- (g) notes that the report proves that the welfare reform impacts most on the poorest parts of the city, including Burngreave, Manor, Southey



and Firth Park;

- (h) notes that proportionately, Sheffield is not hit harder than other big towns and cities in the north of England by the cuts to welfare, so this is something that other comparable cities will also be experiencing, however the financial loss is far above the level in many parts of the south outside London, which is another example of the Government disproportionately targeting pain towards the north of England; and
- (i) believes it is clear that these welfare cuts are ideological; they are not about cutting the deficit but redistributing money away from some of the poorest people in our society to the richest.

### **13. NOTICE OF MOTION GIVEN BY COUNCILLOR PAT MIDGLEY**

That this Council:-

- (a) notes the 25th anniversary of the Cathedral Archer Project was marked on 25th November last year;
- (b) pays tribute to the contribution that the Project has made to the city, providing a range of services for homeless people including:
  - Assessment and signposting to appropriate service providers
  - 1:1 support
  - In-house nurse and dental clinics
  - Access to hot food, drinks and food parcels
  - Showers and laundry
  - A programme of activities to help people learn skills and enjoy new experiences
  - The chance to gain accredited awards
  - A structured volunteer programme which helps people to gain structure in their lives.
  - Support to attend drug and alcoholic treatment services
  - Access to computers and telephones
- (c) welcomes that the work of the Project has evolved over the 25 years of work, and in the words of the Project itself “it's not just food we give anymore. In fact the most important thing we give is a new opportunity. Year by year lives change and people move on.”;
- (d) notes that the success of the Project is dependent upon the contribution of Sheffield people through their voluntary work and donations and thanks local people for their contribution to making the Project successful; and
- (e) thanks everyone involved in the Project for their contributions and directs that a copy of this motion be passed on to the Cathedral Archer Project.

**14. NOTICE OF MOTION GIVEN BY COUNCILLOR JOE OTTEN**

That this Council:-

- (a) notes the Shadow Chancellor of the Exchequer, The Rt. Hon. Ed Balls MP's admission, in The Telegraph newspaper on 5<sup>th</sup> January 2015, that he would, given the chance, cut another £3.3bn from local government;
- (b) notes that Labour Councillors noted the Shadow Chancellor's previous comments about having to "keep all these cuts" in passing an amendment to a motion on public spending reductions at the Council meeting in February 2012;
- (c) notes a number of resolutions passed by this Council blaming the Coalition Government for the response to the fiscal consequences of the record deficit of 2008 that was created under the Labour Government;
- (d) notes the frequent grandstanding on the subject of cuts to local government by members of the Administration, and fears that some people may be misled into thinking that the Labour Party would not make further cuts to local government; and
- (e) believes that, in spite of the rhetoric in this chamber, it is clear that any statements made that give the impression that the cuts would disappear if there was a change to a Labour Government, are unlikely to be true.

**15. NOTICE OF MOTION GIVEN BY COUNCILLOR SARAH JANE SMALLEY**

That this Council:-

- (a) notes from *The Convenient Truth* by Wilkinson and Pickett, published by the Fabian Society, that "Although economic development is what has transformed the real quality of life during the last couple of centuries.... evidence shows very clearly that in the rich countries economic growth no longer drives measures of wellbeing" and "Greater equality is then a key objective, not only because it reduces social dysfunction and improves health and wellbeing, but also because it makes it possible to overcome some of the main obstacles to sustainability";
- (b) notes research from The Equality Trust, which states that the wealth of Britain's richest 100 people now almost equals that of a third of all households put together;
- (c) notes Joseph Rowntree Foundation Research published in January

which shows that eight million people are living on family incomes considered inadequate for a “socially acceptable standard of living”, a rise of almost a third since 2009;

- (d) notes the work which has been done to date in Sheffield to reduce inequality;
- (e) welcomes the fact that Sheffield City Council has a pay ratio of 1:10;
- (f) welcomes the launch of the “Our Fair City” campaign;
- (g) notes the Sheffield Fairness Commission recommendation that “substantial progress” be made on paying a Living Wage in the public sector by 2015 (including contractors) and for all employers in the city to be paying the Living Wage by 2023;
- (h) notes with concern that whilst Sheffield City Council has implemented a Living Wage for the staff it directly employs, work remains “on-going” with contractors and no firm overall or time-commitment has been made to ensure all contractors adopt the Living Wage;
- (i) praises Glasgow City Council for now obliging all its contractors to pay the Living Wage;
- (j) notes that Brighton and Hove City Council is accredited as a Living Wage Employer by the Living Wage Foundation, which means that they have a plan for ensuring that all contractors pay the Living Wage as and when contracts come up for renewal, and that new contractors pay the Living Wage;
- (k) makes a real commitment to reducing inequality in Sheffield by requesting that the Administration puts a plan in place to become accredited as a Living Wage Employer by the Living Wage Foundation; and
- (l) encourages its partners on the Sheffield First Partnership Board, including the Sheffield Universities, to commit to reducing inequality in Sheffield by ensuring that they have pay ratios of 1:10 or less.

## **16. NOTICE OF MOTION GIVEN BY COUNCILLOR JOHN BOOKER**

That this Council:-

- (a) regrets that housing services cannot cope with constantly rising numbers of people coming to live and work in the UK;
- (b) recognises that the infrastructure is being constantly stretched by the strain on sewers, drainage, road and rail links, local amenities,

and power supplies;

- (c) is frustrated by constantly changing Planning announcements, and therefore requests that the Administration prepares, produces and funds a full and comprehensive report on all brownfield sites within the City Council boundary and that the results are made public for a conciliation period in line with local draft plans for development in the area;
- (d) (i) requests that the report includes the size of brownfield sites in hectares and the ratio of houses per hectare if applied for new development; in addition the associated cost for any reclamation to make these brownfield sites usable, versus the Capital Gains Tax (or equivalent) figures per acre compared to earmarked designated green belt sites per acre; noting that this comparison will provide prospective developers with an alternative development consideration and (ii) notes that this motion is in line with National Planning Policy Framework (NPPF) guidelines of using first any previously used land and preserving "Localism" by not joining well established communities into one urban landscape by destroying greenbelt;
- (e) is concerned that the NPPF can be misused by councils, giving them a free hand to redefine green belt boundaries and shelve brownfield sites, and that this allows Capital Gains Tax to be made on greenbelt land sales to developers in comparison to brownfield sites that may require reclamation in some way;
- (f) also notes that each County has its own unique system of available sites for development, and that South Yorkshire has the South Yorkshire Coalfield and the almost extinct steel industry, with hundreds of hectares of available land for redevelopment, and that these should not be left in the local government recycle bin;
- (g) agrees with local MP Clive Betts' recent statement that "The NPPF has brought welcome simplification to the planning system, but the Government must strengthen the planning framework to tackle emerging concerns about inappropriate and unsustainable development"; and
- (h) is concerned that the Government is now riding roughshod over local people's wishes, with mass house building that has become a Developers Charter, without the new services to go with it.

## **17. NOTICE OF MOTION GIVEN BY COUNCILLOR BRIAN WEBSTER**

That this Council:-

- (a) notes that 5<sup>th</sup> February 2015 has been designated by Bite the Ballot as National Voter Registration Day;

- (b) believes that it is essential that all those who are eligible to vote know how to register to vote and are not denied the opportunity to exercise this fundamental democratic right;
- (c) commends the work already undertaken by Council officers and partner institutions, including the city's Universities and their Students' Unions, to give people the information they need to register to vote;
- (d) believes that these efforts are particularly important this year, as the introduction of Individual Voter Registration (IVR) risks disenfranchising millions of people across the country;
- (e) notes reports from the Electoral Commission that "areas with a high concentration of certain demographics – students, private renters and especially young adults" are at particular risk of seeing the number of registered voters fall significantly under IVR;
- (f) therefore calls upon officers to continue working with partner organisations to ensure that information about both the practicalities and the importance of registering to vote are publicised as widely as possible to all segments of Sheffield's population in the run-up to the May 7th elections and beyond; and
- (g) further, calls upon Members of the Council to exercise their responsibility as community leaders by actively promoting voter registration and participation in the democratic process in the communities they represent.

**18. NOTICE OF MOTION GIVEN BY COUNCILLOR PAULINE ANDREWS**

That this Council:-

- (a) calls on the Administration to support Chapeltown Juniors Football Club, established in 1983, to enable them to take over the lease from the City Council for the Steel City Sports Ground and clubhouse on Shiregreen Lane;
- (b) notes that the lease of this site is available due to the previous tenant leaving in February 2014, and that although there are a few groups that still use the grounds to train, this isn't a problem as access could be negotiated;
- (c) recognises the need for good quality football training to take place and be increased, or our great sporting city of Sheffield will be left behind, and notes that Chapeltown Juniors play in Sheffield & District Junior Sunday League, which is possibly the biggest junior league in Europe;

- (d) notes that, for 29 years, the Football Club has played in Ecclesfield Park, which is a public park and is no longer suitable for the Club, as it is not big enough to meet the needs of 140 children, enabling them to move forward, play and progress, and also to develop the players;
- (e) believes that physical education is just as important as being academic and should be part of the learning and understanding skills for everyday life, and that physical development of young people promotes a healthy, moral, mental, positive attitude as well as self-discipline and self-worth;
- (f) calls upon the Administration to support the coaches and officials of the Football Club to carry on their great work in training these children and young people aged 5 to 18 years, noting that the Club officials are committed and deserve recognition for giving up their own free time which cannot be easy, when working full time;
- (g) welcomes that the site and the building would continue to be used, focusing on sport, and that the site could also be used for many other sporting activities such as cricket, bowls and other field sports, as well as the hub of community life, incorporating into the social club, activities such as lunch clubs, meeting places, weddings, parties, youth activities, older people's clubs, and back to work clubs;
- (h) further notes the backing of the Football Association, Children's Hospital Charity, Unison, Sheffield F.A., South Yorkshire Police and Fire and Rescue, and that funding is available to support the project, but it cannot proceed forward without the support of the Council and a proposed lease;
- (i) is concerned and bemused that, despite numerous meetings with Councillors and officers from the Parks and Countryside Service, the project seems to have come to a standstill, whereas officials of the Club are very keen to push this forward which would be a great asset to the Shiregreen community, with the potential to bring jobs, but without the Council's support for the lease, applications for funding cannot proceed;
- (j) is further concerned that, as the months go by, the site may fall into further disrepair, being vandalised and trashed, costing more money to restore the grounds or repair the building; and
- (k) welcomes the Club's aim to start a girls/women's football team, and also a football team for people with disabilities, and, for the less active, a walking team aimed at the over 50s, to enhance their quality of life.

**19. NOTICE OF MOTION GIVEN BY COUNCILLOR JILLIAN CREASY**

That this Council:-

- (a) recognises that Sheffield suffers from health inequalities across the city and that good health care can help to mitigate and treat illness;
- (b) is therefore disturbed to hear that four General Practices in Sheffield are affected by the withdrawal of a fund, the Minimum Practice Income Guarantee (MPIG), designed by the last Government to support practices serving particularly needy populations which were adversely affected by the 2004 GP contract;
- (c) notes that whilst similar practices in London have been given a two year reprieve, cuts to practices outside London have already begun and MPIG will be phased out over seven years;
- (d) notes that MPIG was always seen as a stop-gap until a fairer funding formula could be found but is now being withdrawn without any replacement;
- (e) fears that practices serving some of the most needy people in the city, including Devonshire Green in the city centre, which has a high proportion of people suffering homelessness, mental health and addiction problems, face closure;
- (f) agrees that closure of such practices would directly affect the health of their patients and have knock on effects for surrounding practices as well as emergency and hospital services;
- (g) thanks the Clinical Commissioning Group, the local area team of NHS England and the colleagues in public health for their support, but notes that the funding comes from NHS England at national level;
- (h) therefore resolves to write to David Geddes, head of primary care commissioning at NHS England, to ask him to reverse this decision; and
- (i) requests that a copy of this motion be sent to all Sheffield MPs and to the Secretary of State for Health, The Rt. Hon. Jeremy Hunt MP.



Chief Executive

Dated this 27 day of January 2015

**The next meeting of the Council will be held on Friday 6 March 2015 at the  
Town Hall**



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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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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, Interim Director of Legal and Governance on 0114 2734018 or email [gillian.duckworth@sheffield.gov.uk](mailto: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 7 January 2015, at 2.00 pm, pursuant to notice duly given and Summonses duly served.

## PRESENT

THE LORD MAYOR (Councillor Peter Rippon)  
THE DEPUTY LORD MAYOR (Councillor Talib Hussain)

1	<i>Arbourthorne Ward</i> Julie Dore Mike Drabble Jack Scott	10	<i>Dore &amp; Totley Ward</i> Joe Otten Colin Ross Martin Smith	19	<i>Mosborough Ward</i> David Barker Isobel Bowler Tony Downing
2	<i>Beauchief &amp; Greenhill Ward</i> Simon Clement-Jones 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 Qurban Hussain
3	<i>Beighton Ward</i> Helen Mirfin-Boukouris Chris Rosling-Josephs Ian Saunders	12	<i>Ecclesall Ward</i> Penny Baker Roger Davison Diana Stimely	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 Chris Weldon	22	<i>Shiregreen &amp; Brightside Ward</i> Peter Price Sioned-Mair Richards Peter Rippon
5	<i>Broomhill Ward</i> Jayne Dunn Stuart Wattam 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 Tim Rippon	24	<i>Stannington Ward</i> David Baker Katie Condliffe Vickie Priestley
7	<i>Central Ward</i> Jillian Creasy Robert Murphy Sarah Jane Smalley	16	<i>Graves Park Ward</i> Ian Auckland Steve Ayris Denise Reaney	25	<i>Stocksbridge &amp; Upper Don Ward</i> Jack Clarkson Richard Crowther Philip Wood
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> Harry Harpham 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 Alf Meade
				28	<i>Woodhouse Ward</i> Mick Rooney Jackie Satur Ray Satur



**1. FORMER COUNCILLOR JOHN SENIOR**

The Lord Mayor (Councillor Peter Rippon) reported the death of former Councillor John Senior, who had passed away on 27<sup>th</sup> June, 2014. Mr. Senior served on the City Council for ten years between 1973 and 1983, as a Labour Councillor, representing the former Heeley Ward. Later in the meeting, Members paid tribute to him. The meeting observed a minute's silence in memory of Mr Senior.

**2. APOLOGIES FOR ABSENCE**

There were no apologies for absence from Members of the Council.

**3. DECLARATIONS OF INTEREST**

Councillors Jackie Drayton and Colin Ross declared personal interests in the item concerning the Assessment of the Child Sexual Exploitation Service in Sheffield because they had been interviewees during the process of Assessment.

**4. 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 City Council held on 3 December 2014 be approved as a correct record.

**5. PUBLIC QUESTIONS AND PETITIONS AND OTHER COMMUNICATIONS**

5.1 Petitions

5.1.1 Petition Requesting Additional Road Safety Measures on Church Street, Ecclesfield

The Council received a petition containing 93 signatures requesting additional road safety measures on Church Street, Ecclesfield.

On behalf of the petitioners, David Banham addressed the Council. He stated that there was concern at the heavy traffic on Church Street, Ecclesfield and adjoining thoroughfares. Pedestrians had to cross Church Street to gain access to Priory Road and facilities such as the village hall and the church, in which a range of activities took place for young people and older people. Traffic volumes were particularly high between 7am and 9am and 4pm and 6pm and vehicle speeds were also of concern. Pedestrians and school children found it difficult to cross the road. There were a high number of heavy goods vehicles using the road and which travelled to and from the motorway. A site visit to the area would confirm the risk to safety. Whilst the restrictions on funding were recognised, it was

requested that road markings and signs be used to help manage the problems outlined by the petition.

The Council referred the petition to Councillor Jayne Dunn, the Cabinet Member for Environment, Recycling and Streetscene. Councillor Dunn stated that the issues outlined would be examined further, although this would be within the Council's budgetary limitations.

5.1.2 Petition Objecting to the Plans to Remove Grit Bins and Requesting the Full Restoration of the Volunteer Snow Warden Project

The Council received a petition containing 128 signatures objecting to the plans to remove grit bins and requesting the full restoration of the volunteer Snow Warden Project.

On behalf of the petitioners, Harry Matthews addressed the Council. He stated that the Council had reversed its decision to reduce gritting routes prior to Christmas. He said that grit bins were to be removed and residents had not been informed. He asked how seriously the Council was taking the issue and the concerns of residents and asked that it now listened to them.

The Council referred the petition to Councillor Jayne Dunn, Cabinet Member for Environment, Recycling and Streetscene.

5.1.3 Public Question Concerning the Snow Warden Scheme

Alison Zwaard stated that she believed that the snow warden scheme was a very good City initiative. She had nominated herself to be a snow warden and in previous periods of winter weather, residents on her street had joined together to grit the road. People were prepared to do their bit to contribute and make the roads passable. Amey took over the operation of the Streets Ahead and winter services and she had been told that the Snow Warden Scheme had been disbanded following consultation. She said that she had not been consulted. When she contacted the Streets Ahead service, she had been informed that a grit bin would be located on her road, although it had not materialised. She asked when the Council would re-instate the Snow Warden Scheme.

Councillor Jayne Dunn, Cabinet Member for Environment, Recycling and Streetscene responded to the petition and the question. She stated that the Council had not stopped the Snow Warden Scheme. There were now she said, 600 Snow Wardens across the City and she personally thanked them for what they did. A review of winter services had started and the provision of grit bins formed part of that review. The Council had responded to the winter conditions and had reinstated the gritting routes, which had been removed by a previous decision.

5.2 Public Questions

5.2.1 Public Question Concerning Questions to Full Council



Martin Brighton stated that “questions put to Full Council have been parried with unnecessary requests to provide information, with promises to respond at some later time. Information has been duly provided, yet is ignored, and there is still no response. This chamber is given the impression that citizens’ questions are being dealt with, when in fact they are not.” Mr Brighton asked: why is this happening?

Councillor Julie Dore, the Leader of the Council, responded that she would answer this question and Mr Brighton’s later question in writing. She stated that she remembered that Mr Brighton had previously alleged that a Council officer had made a clinical diagnosis about his mental state and that she had said that this was not acceptable. She said to Mr Brighton that, in the same way, he should not do that to her.

5.2.2 Public Questions Concerning Area Housing Forum Meetings and Housing and Neighbourhoods Advisory Panel (HANAP) Meetings

Mr Brighton asked the following questions concerning Openness and Accountability:

1. Why has the facility for citizens’ questions been removed from Area Housing Forum Meetings?
2. At what meeting was this change to Council policy debated and approved by elected members?
3. At what meeting was the proposal to change the Council policy given prior consultation and consent from tenants?
4. Who authorised the change?
5. Why are citizens not allowed to attend HANAP meetings as observers, or ask Citizen’s questions?
6. At what meeting was this change to Council policy debated and approved by elected members?
7. At what meeting was the proposal to change the Council policy given prior consultation and consent from tenants?
8. Who authorised the change?

Councillor Harry Harpham, the Deputy Leader of the Council and Cabinet Member for Homes and Neighbourhoods responded that the Area Housing Forum Meetings were not public meetings and there were therefore no public questions. Other meetings and fora did exist where people were encouraged to participate and ask questions. There had been no change in policy regarding the Area Housing Forum meetings. With regard to meetings of HANAP, there were no public questions at that particular body. This was to help manage time at those meetings. In relation to Mr Brighton’s other questions, Councillor Harpham stated that there had not been any change in policy.

5.2.3 Public Question Concerning ‘Coercive Control’

Martin Brighton asked the Council to please note that:

1. Coercive Control applied by Council officers upon community volunteers

- does not constitute consultation or consent.
2. Where there is collective near unanimous rejection of a council proposal, Council-claimed consent by isolating and intimidating individual community volunteers is not consent
  3. Where the Council continues with the proposals, having decided before consultation took place, and despite the rejection, the methods for falsely claiming consent are in fact forms of Corporate abuse and deceit.

Mr Brighton asked: why are Council officers continuing to deride this citizen?

Councillor Julie Dore, the Leader of the Council, responded that she would answer the questions in writing.

#### 5.2.4 Public Questions Concerning Public Questions

Marcus O'Hagan asked the following questions:

What form of question does the Council require and in what forum should they be put to for those questions to fall under the Freedom of Information Act.

When is the Council going to debate the issue or clarify in public that questions asked in this chamber and also put in writing and followed up by requests for clarification do not fall under the FIOA?

When will this Council provide citizens with clear written guidance as to what recourse they have when questions (made in writing in this and other Council meetings) are not answered even when followed up with a request (in writing) for a review of any unsatisfactory answer?

The Council has made claims to the Information Commissioner that the purpose of public questions is to "engage" the public by allowing them access to the Council and their business. If this was genuine wouldn't the Council answer the questions asked?

Has this Council forgotten that its members are representatives of the people and its officers are servants of the people and have duties of openness, honesty and integrity in that regard?

Councillor Julie Dore, the Leader of the Council, thanked Mr O'Hagan for submitting questions in writing in advance of the Council meeting. She said that she understood that Mr O'Hagan had been written to, in order to explain the situation with regard to public questions put in the Chamber and the decision of the Information Commissioner's Office that such questions do not constitute a request for information. If he wished to submit a request under the Freedom of Information Act, then he should write to the Council, stating what information he wanted. Such a request would constitute a Freedom of Information request.

Councillor Dore stated that the Council was not going to debate the issue of public questions and Freedom of Information. Questions asked in meetings including Council and Cabinet did not constitute requests under the Freedom of Information

Act.

The Council had written to Mr O'Hagan to explain how to ask a public question and with regard to requests under Freedom of Information. The avenues of recourse which were open to someone included contacting the Information Commissioner, making a complaint under the Members' Code of Conduct and the Council's complaints procedure, with potential recourse to the Local Government Ombudsman. The information was also available on the Council's website.

The purpose of public questions was to engage with the public. Many local authorities did not run a public question time in the same format as was done in Sheffield. For example, in some councils, written questions had to be submitted a week in advance of a council meeting. In Sheffield, other opportunities for public questions and engagement included Cabinet, Scrutiny Committees, Local Area meetings and Cabinet in the Community. The opportunity for public questions was not something that the Council had to do.

Councillor Dore stated that Members had not forgotten that they were representatives of the people.

#### 5.2.5 Public Question Concerning Alcohol Licenses

Nigel Slack referred to a question which had asked at the meeting of Cabinet 17 December 2014 concerning the number of planning permissions granted in the past 5 years for the 'local' or 'metro' brands of the big four supermarkets (Asda, Morrison's, Sainsbury's, Tesco).

He stated that he was grateful to Councillor Bramall for his admission that the planning process cannot identify new permissions granted according to specific use or user and stated that perhaps this is something for future consideration, but that he would like to try and gather the information another way.

He said that each of the stores involved (Asda, Morrison's, Sainsbury's, and Tesco) will undoubtedly have applied for Alcohol Licenses and asked how many new licenses had been granted to these stores over the last five years?

Councillor Leigh Bramall, the Cabinet Member for Business, Skills and Development, responded that Council officers had tried to provide a response to Mr Slack and in so doing, he believed that they had provided some incorrect information. He said that he would write to Mr Slack.

#### 5.2.6 Public Question Concerning Sheffield City Region Growth Deal

Nigel Slack stated that under item 8 on the agenda for this meeting of the Council, he noted that that the City is getting a little more detail on what has been referred to as the 'devolution' deal for the City Region. He thanked Councillor Dore or the Chief Executive for titling this as the 'Sheffield City Region Growth Deal' and therefore putting it in the right perspective in terms of this economic deal's difference from real devolution.

He commented that there were some good aspects to this deal, at least for the private enterprise part of our economy, if not so much for public services and stated that two areas of concern stood out at this time.

Mr Slack asked how much is the 'Housing' deal worth to the City region and will any of that be available to provide 'Social Housing' run either by Councils or Housing Associations?

He stated that the 'Employment' deal commits the City Region to discuss the potential for being joint commissioners for the 'work programme' supported by the harmful sanctions regime. He asked will the Council confirm that it will not enter into any agreement concerning this part of the 'Growth Deal' without extensive consultation with the public.

Councillor Julie Dore, the Leader of the Council responded and stated that the City Region Growth Deal was an item on the agenda for this meeting of the Council and she hoped that Mr Slack was able to stay for that item of business. The Chair and Chief Executive of the Combined Authority would be in attendance for that item.

She commented that it was important to note what was not in the deal. Housing and employment were mentioned in the deal. There was not a financial sum as such attached to the deal. Unlike in Manchester, the concept of a Metro Mayor and governance model was not included. The Government had agreed to work with the City Region towards growth in respect of housing and employment. The housing deal would be delivered in partnership with the Homes and Communities Agency and the strategic plan for housing in the region would be co-developed. At the present time, individual providers of social housing (including the Council) made bids to develop housing to the Homes and Communities Agency. However, the City Region was saying that it wanted to determine such matters in partnership with the Homes and Communities Agency. There was a need for more social housing.

Councillor Dore stated that in relation to employment, the work programme was a term used for programmes to get people into work. However, it was accepted that the Government's Work Programme was unsuccessful and there was a wish to redevelop the programme in a way that suited the Sheffield City Region. Such a programme would not include the harmful sanctions regime to which Mr Slack referred. In summary the Growth Deal was just that, 'a deal' and not a settlement.

## **6. REPRESENTATION, DELEGATED AUTHORITY AND RELATED ISSUES**

**RESOLVED:** On the Motion of Councillor Pat Midgley, seconded by Councillor Gill Furniss, that (a) approval be given to the following changes to the memberships of Boards, etc:

Appeals and Collective Disputes Committee	-	Councillor Tony Damms to fill a vacancy
Standards Committee	-	Councillor Ben Curran to replace Councillor John Campbell

Standing Advisory Council for Religious Education - Councillor Sioned-Mair Richards to replace Mr Martin Lawton

(b) Representatives be appointed to serve on other bodies as follows:-

Sheffield Health and Social Care Foundation Trust Council of Governors - Councillor Josie Paszek to replace Councillor Mary Lea

Sheffield Media and Exhibition Centre Ltd - Councillor Nikki Bond to fill a vacancy

Norton Educational Foundation and Non-Educational Trusts - Greg Unwin to replace Rev. Joy Adams

## **7. LORD MAYOR'S ANNUAL REPORT 2013/14**

Councillor Vickie Priestley introduced the Lord Mayor's Annual Report for the Municipal Year 2013/14.

Council noted the report of Councillor Vickie Priestley reviewing her term of office as Lord Mayor during the Municipal Year 2013/14, now submitted, and referred the recommendations contained in the report for consideration by the Interim Director of Legal and Governance.

## **8. ASSESSMENT OF CHILD SEXUAL EXPLOITATION SERVICES IN SHEFFIELD**

The Council received a presentation concerning the Assessment of Child Sexual Exploitation Services in Sheffield from Dr Kathryn Houghton, Safer Outlook Consulting Ltd (independent author of the report) and Sue Fiennes, Independent Chair of the Sheffield Safeguarding Children Board.

A report of the Executive Director, Children, Young People and Families containing the assessment and an executive summary had been circulated with the agenda for this meeting. The Children, Young People and Family Support Scrutiny and Policy Development Committee had considered the assessment at its meeting on 15<sup>th</sup> December. The Cabinet had considered it at its meeting on 17<sup>th</sup> December and the outcome of those discussions had also been circulated with the agenda.

Also in attendance for the item of business were Jayne Ludlam, Executive Director - Children, Young People and Families – Sheffield City Council; Dorne Collinson, Director of Children and Families - Sheffield City Council; Victoria Horsefield, Sheffield Safeguarding Children's Board Manager; and Kevin Clifford, Chief Nurse, NHS Sheffield Clinical Commissioning Group.

Members of the Council asked questions and commented upon the content of the Assessment of Child Sexual Exploitation Services in Sheffield, which is

summarised below:-

### Comments and Questions

The Council had to be vigilant and wished to improve services. There were also the other aspects of child abuse which should be considered in addition to the issue of child sexual exploitation. This meant that all safeguarding practices and responsibilities should be considered. The Council's strategy was to prevent, protect, pursue and prosecute. There were issues relating to the way that cases relating to children were dealt with by the Courts and the support available for children who were witnesses. It was considered that the outcome of cases which had gone through the Court were not always the best ones. It was positive that the Council was to work with the judicial system in this regard.

The publication of the Jay Report had meant that a review was necessary of child sexual exploitation services. It was import to ensure service improvement and with this aim, the Children Young People and Family Support Scrutiny Committee had made recommendations. There were particular issues relating to the treatment of children by the judicial system which could be improved to make children feel safe and make it easier for them to give evidence to the Courts. Particular thanks was given to the children and young people who talked about their experiences as part of the Assessment and it was noted that a letter would be sent to those young people. An annual safeguarding report was also submitted to the Scrutiny Committee in order that it could carry out its monitoring role.

It was crucial that the Council made sure that the systems which it had in place were as robust as possible. The findings of the Assessment did highlight good practice in Sheffield. However, the extent to which good practice was replicated elsewhere in South Yorkshire and the adoption of a common approach by the South Yorkshire Police were matters of concern. The implementation of the action plan would be monitored by the Scrutiny Committee.

Officers were asked to outline the process from the viewpoint of keeping parents or carers informed.

Members had a role in ensuring there was a learning culture both in the Council and with regard to the Council's partners. It was important that vulnerable young people were treated properly by the judicial process.

### Responses to comments and questions

The action plan, when finalised, would be a robust document and would follow due process. The Assessment report was the beginning of the process and governance was an important consideration. Parents were in a position to recognise the signs of child abuse. The process by which parents and carers interacted with the reporting process was outlined. Training resources were available for parents and carers through the safeguarding Sheffield children webpages. Activity was overseen by the Safeguarding Children Board.

The Police were continuing to make improvements; the Police and Crime

Commissioner had established a child sexual exploitation forum and the Assistant Chief Constable was the Force lead in relation to child sexual exploitation. Good practice would be disseminated and there were lessons which could be learned from other areas. Young people should be respected and supported in giving evidence to the Courts. Young people on the Young People's Panel had said that they felt supported at Court and by the Child Sexual Exploitation Service and Police Liaison personnel. The ability to retain on-going support for young people was difficult, whilst the staff in the service wanted to provide such support. It was important that young people were able to become active citizens.

### Comments and Questions

Clarification was sought as to the background of Dr Kathryn Houghton who was the independent author of the report; the extent to which the Assessment could be said to be independent; the assistance provided by the Council in the Assessment process and any matters which were of concern.

With regards the multi-agency self-assessment, questionnaire, to which 75 percent of secondary schools and post-16 education providers had provided a return, assurances were sought that these were being pursued and that agencies took child sexual exploitation seriously.

Academies and free schools might present a challenge with regard to monitoring what measures they had in place in relation to child sexual exploitation. Poor education, poverty and family breakdown might also present a challenge with regard to sustaining progress.

### Responses to comments and questions

Dr Kathryn Houghton outlined her background and experience for Members of the Council. She stated that she had only accepted the contract to carry out the Assessment on the basis that there would be full independence. She had received guidance with regard to the terminology which the Council used and was given the relevant raw data. Telephone interviews were conducted with Council officers. Dr Houghton said that she had received tremendous support from the Council.

With regard to the self-assessment by secondary schools and post-16 providers, the remaining 25 percent of assessments had been followed up and many had now been returned with a view achieving a 100 percent return. All schools, regardless of their governance model, were part of the remit of the Safeguarding Board.

In some cases, young people were groomed in circumstances where they were experiencing poverty or poverty of experience and might be in the judicial system themselves. Such circumstances had to be understood in responding to the issue of child sexual exploitation.

Magistrates, when considering cases before them, looked at the burden of proof whereas in social care, the premise was that the child was to be believed. The Crown Prosecution Service required sufficient evidence to obtain proof of guilt and

to ensure a fair trial. However, if the child perceived that they were being abused, then this should be recognised.

#### Comments and Questions

A question was asked concerning the detail of sub-regional approaches to diverting young people away from sexual exploitation and the hub and spoke model to share good practice with other local authorities.

Questions were asked with regard to the role of school governors and schools in preventing child sexual exploitation and the role of education in increasing young people's awareness.

#### Responses to comments and questions

Sub-regional work was being carried out with other local authorities in South Yorkshire and South Yorkshire Police and there were proposals as part of the first stage of a bid submitted to the Department for Education (DfE) in relation to the development of sub-regional child sexual exploitation services. There were also proposals for authorities to learn from one another and establish progressive practices and safe services for children and young people in the sub region, regardless of boundaries. These included therapeutic support and education services. Work would be progressed regardless of the outcome of the bid to the DfE.

A consistent approach was needed to child sexual exploitation by organisations and agencies, including schools, the police, social work teams and others. Schools and governing bodies were important in relation to prevention and all schools had access to advice, support and training. There was an advice line and online resources for those working in the sector. Governors had a role in overseeing a child protection and safeguarding plan and related policies. It was important that governing bodies were aware of issues relating to child sexual exploitation and safeguarding in general and had access to training and expertise. If early intervention was possible, later need could be prevented. School attendance was an important factor and it was also necessary to train a range of people, including those within schools, school crossing patrol wardens, Police Community Support Officers and others, such as hoteliers and licensees, to identify potential risks to young people. Where children disengaged and became secretive in their behaviour, there may be a risk. Particular concerns related to social media, social networking and the potential for grooming to occur via the internet.

#### Comments and Questions

Recognition was needed of child sexual exploitation in a similar way to which domestic abuse had become more recognised by society. A balance had to be struck so as to ensure that threats were properly communicated but children and young people were not unduly scared.

A further question was asked as to whether, in Sheffield, there had been a look



back at historic cases of child sexual exploitation; and how to ensure that children as witnesses were be able to speak up and give evidence.

A question was asked concerning the number of prosecutions and warnings for offences relating to child sexual exploitation.

#### Responses to comments and questions

Society had come to more widely recognise domestic abuse, which was one of the primary reasons behind social care cases. Society also needed to accept children coming forward to report incidents with the confidence to say that they were being abused. There had to be a proportionate approach to the communication to children of the potential threats although it was important to keep open communications. In many cases children were shamed or tricked into not telling their parents or carers about incidents. Children should be made to feel that there was no issue too big for them to tell their parents about.

The Council had looked back at past cases. The first case of child sexual exploitation in Sheffield was recorded in 1999. A Panorama television programme had brought cases to people's attention and cases became recognised as child sexual exploitation. There were protection programmes put in place. People were more informed now about the level of manipulation and grooming involved in such cases.

Children should be treated appropriately and believed, and in such circumstances, they were likely to successfully provide evidence. There was some way to go to achieve greater consistency in the treatment of children through the judicial process.

The outcome of cases in terms of sentences or where a case had collapsed were outlined.

#### Questions and Comments

Questions were asked concerning whether what had taken place in Rotherham in relation to child sexual exploitation could happen in Sheffield; the impact of pressures in social care and multi- agency teams; the relationship between adults and children and the possible damage to innocent and supportive relationships within families.

#### Responses to Questions and Comments

The assessment of services in Sheffield was a snapshot in time. There was no guarantee that child sexual exploitation could not take place and people should not be complacent. However, the City had demonstrated the ability to learn, change and adapt.

Resources for child protection had been protected in the wider context of budget reductions. The resources which were in place were the right ones at this time. However, these had to be constantly reviewed, and used wisely and effectively.

The change in relationships between children and adults was perhaps inevitable but it was important to recognise that as loving parents or grandparents it was not a problem to have fun together or show affection. Abuse was clearly different to a loving relationship. Sexual abuse was manipulative and children were coerced and frightened. This should not interfere with loving relationships that children need and benefit from. Such loving relationships may increase resilience and help families to recognise when behaviours were not normal.

In the past, there was not societal recognition of child sexual exploitation and there was a view that such cases were the fault of the child or young person who might already be engaged in prostitution. This had now changed and it was recognised that children and young people should be viewed as credible witnesses. There was work to be done with regards the courts and judicial process. The young people's panel were concerned to include their views in the Assessment, which included that they felt there was justice and they were believed.

#### Questions and Comments

Questions were asked about the extent of external challenge of services; what more local authorities could do in working together to bring about improvements when things weren't working well; and concerning the scale of the problem of child sexual exploitation.

The Licensing Committee would participate in training on 29 January. There was a challenge with regard to taxi licensing in that taxis from any local authority area were able to drive into the City. Lobbying was taking place for a national database of taxi drivers and the potential of processes to link with neighbouring Derbyshire Police were being examined.

#### Responses to Questions and Comments

With regards external challenge, the Sheffield Safeguarding Children Board had an independent chair and Local Government Association (LGA) supported peer challenge work had also taken place. It was expected that the LGA would propose further steps. There was a duty on the services in Sheffield to take up external challenge and there was routine reporting to the Safeguarding Children Board. The Assessment of child sexual exploitation in Sheffield required independence and was therefore commissioned with an independent report author.

The incidence of child sexual exploitation was not known with any certainty. However, it could reasonably be expected that reported cases and issues would be properly investigated. There had been an additional thirty referrals to child sexual exploitation service in the period before the Christmas holiday, which was an exceptional number. All referrals were risk assessed and dealt with appropriately. There was not a benchmark as such of how many cases could be expected. It was important that people were confident that something would be done about reported cases of child sexual exploitation.

In years prior to the recent Assessment, the Safeguarding Children Board had published the numbers of cases of children which it was believed were at risk of child sexual exploitation. The work related to Licensing and performance concerning taxis which were licensed outside of Sheffield was important and there was an area of development identified with regard to continuing support for decision-makers on Licensing Committees in terms of child sexual exploitation awareness and knowledge.

Information sharing protocols across agencies was evident in the assessment and occurred across authority and agency boundaries and this formed a vital part of safeguarding children and young people.

Training for employees and elected Members would take place at a general and more specific level, dependent upon an individual's responsibilities with regard to children and young people. More specialised training would be available for Members, such as those serving on the Fostering and Adoption Panels or those with links to children's homes in the City.

It was most important not to be complacent and to continually improve services and be at the forefront of developments relating to child sexual exploitation. All of those who contributed to the Assessment and development of the child sexual exploitation services in Sheffield were thanked.

The Lord Mayor, on behalf of the Council, thanked all of the attendees in relation to the presentation of the Assessment and their responses to questions and comments from Members of the City Council.

**Resolved:** that the City Council agrees that the scope and findings of the assessment into child sexual exploitation services in Sheffield satisfies the Council that the current delivery of child sexual exploitation services in Sheffield are sufficiently robust and that the areas for development identified within the report are appropriate and proportionate.

## **9. SHEFFIELD CITY REGION GROWTH DEAL**

The Council received a presentation on the Sheffield City Region Growth Deal from Councillor Sir Steve Houghton, the Chair of the Sheffield City Region Combined Authority, and Mr Ben Still, Chief Executive, Sheffield City Region.

The presentation outlined Sheffield City Region's Strategic Economic Plan and Growth Deal and City Region Devolution Deal and set out next steps in delivering the Growth Deals.

Members of the City Council asked questions and commented upon the issues raised in the presentation and responses were given as summarised below:-

A comment was made concerning the proportion of new jobs which would be highly skilled and the concern that remaining jobs would be minimum wage or lacking in ambition in relation to skills. In response, the Council was informed that 30 thousand out of the 70 thousand jobs which the Economic Plan aimed to create were highly skilled jobs. It was important to provide employment for people and then give opportunity to move on from less skilled jobs to more highly skilled ones. Not everyone would be expected to want a job which was in the highly skilled sector and a range of all forms of employment should be valued. Pay would be set by the labour market and demand for labour.

Questions were asked concerning practical steps which might be taken to improve bus services; how businesses would be made aware of support available through a marketing plan; methods of reducing investment risk for businesses and the identification of entrepreneurial enterprises that wished to expand. In response, Members were informed that there was deliberately no marketing strategy at this time. Firstly, the City Region had to be clear about its product and then work out how to sell it, to which audience and in what way. A comprehensive marketing strategy would be developed within the limits of available resources.

Those businesses most likely to be successful and help create growth had to be identified and encouraged as they may employ significantly more people in the future. There was also a need to move businesses, as with communities in the region, away from a culture of dependency. Business support would take place through the City Region Growth Hub model. The idea was for businesses to commit to using local labour and to grow within the region.

The Government had opened a door in relation to improving bus services and there was a level of caution concerning how much could be achieved without regulation. However, the deal did commit the Government to push the boundaries with regard to bus services, including in relation to the cost of fares (in line with competition laws) and improving the ticketing and fare offer.

A comment was made about the relative centralisation of the UK and the requirement for more control of the region's own affairs, which included political leadership. In reply, the meeting was informed that the Combined Authority had been chosen as the appropriate executive governance model and it was important for the Combined Authority to ensure that this model of governance delivered necessary leadership and regional control. Referenda had taken place in the City Region with regard to the idea of an elected mayor and many places had rejected the proposal. The City Region did not have fiscal devolution or an ability to raise taxation. However, through the Combined Authority, all of the participating local authorities had agreed to sign up to the Strategy and to align their respective spending. This may not have been possible with a Mayoral model. The Strategic Economic Plan was a driver for change. Consideration would be given to the changes needed to remove identified obstacles, including financial considerations, powers or political change.

The Mayor of London had considerably greater financial resources at their disposal, for example the ability to spend on transport infrastructure, which was

many times that of the Sheffield City Region. The challenge was whether change could take place in this region to improve things for people in the region. Devolution would not itself create a northern powerhouse but that did not mean that we could not ask for more powers to do things that we know we can deliver better than government was able.

Comments were made concerning the use of proven success by the City Region to then obtain further powers; the differences to the Manchester devolution deal in that there was not reliance on primary legislation; retention of skilled graduates; the development of a skilled workforce; the importance developing and then producing products in the Region and the potential national and international growth of such enterprises. It was thought more realistic to look at investment as opposed to grants to businesses and there was concurrence with the idea that the Region was able to do many things better than central government.

Responding to some of those comments, the Council was told that the north of England was losing many people to London and the South. The question was: how could the City Region produce and retain a skilled workforce and reduce the knowledge transfer. Places such as Oxford and Cambridge also had research capability and Sheffield City Region had to build its own research hubs and grow spin-off industries on a larger scale. Supply chains also had to be strengthened. However, other meaningful forms of employment had to be created as well.

Universities were giving consideration to more entrepreneurial enterprise programmes and outlets in the Advanced Manufacturing Park were being encouraged to develop into manufacturing industries. Businesses also needed certainty in relation to such things as access to finance.

Comment was made that people who were now in their 30s and had previously moved away to London could be encouraged back to the City Region where their circumstances had changed and they were looking to have families or have less distance to commute to work. Young people leaving school also had to be helped to be ready for work and not move into a position where they were neither in training, education or employment.

In response, Members were informed that programmes would be developed in schools to help young people to become work-ready. Viable, non-academic routes, such as apprenticeships were also needed for young people.

Comments and questions were asked about engagement with parents as to the inspiration and aspiration they could provide for their children; the proportion of micro-businesses with which work was being done; expertise in the Growth Hub; and the environmental aspects of the Growth Deal.

Members were informed that the Growth Hub was a strong partnership which included the Chambers of Commerce and Federation of Small Businesses and a cohort of businesses who were able to share experiences. There was a range of expertise. Small and Medium Sized Enterprises (SMEs) comprised 92 percent of businesses in the region and there were only a small number of 'blue chip'

companies. The measures in the Growth Plan were specifically targeted at SMEs, as these were where most growth would come from.

It was important that young people saw parents going to work as role models and if people were able to work, then they should. The Region also needed to ensure that its schools were good enough. Something akin to the London Challenge may be appropriate for the area. Aspiration was a problem if people could not see jobs and opportunities and local Councillors also had a responsibility to help raise people's aspirations.

A question was asked as to whether the respective local authorities in the City Region were mature enough to think regionally and collectively and in response, Members were told that this was a key challenge for the City Region, although there was a definite desire to work together. It was thought that a place like Manchester was effective at presenting a single picture to the outside world. However, there were inevitably internal differences. The City Region's investment plan was intended to develop the right schemes in the right places.

Responding to a comment concerning the possibility that the Sheffield City Region had lost out on the possibility of better powers because it had rejected the concept of a mayor (which Manchester had adopted), Members were told that the other leaders in Manchester would be able to veto a decision of the Metro-mayor. This was unlike the London Mayoral model. So far, it was not thought that the City region had lost out on powers and a step by step approach was being taken to devolution. The regulation of bus services may not be an end in itself as the Region would need to fund and prioritise such a development. Transport for London worked because of the considerable amount of investment given by Government.

A governance model was required which could deliver the Strategic Economic Plan and if the Combined Authority was not the appropriate model, then this may have to be changed.

Comments and questions were raised concerning the road infrastructure links to the Doncaster Sheffield Airport and the potential expansion of freight and long distance flights; the status of the bid to the European Social Fund (ESF) to build capacity and social resilience to help get people back to into work; and the supporting mechanisms such as work in schools, transport fares and provision of locally based employment.

In reply to these points, Members were informed that the Airport was one of the key strategic drivers and SCRIF (Sheffield City Region Investment Fund) would help to enable the new link to the Airport and there were further plans to improve connectivity to the Airport. The airport planning process was also a consideration in terms of how well it served carriers and passengers. The ESF was included in the process of achieving the Growth Deal and the Region had difficulty in persuading the Government to release its grip in that regard. The priority was to get that aspect of the Deal working.

The relationship between local authorities and their communities had to change

as it was not sustainable to continue with the relationship as it had been. Greater capacity and resilience had to be developed in communities and this may change aspirations.

A comment was made concerning the need for homes, including the social housing and private sector, the growth of which could be brought about by the Sheffield Housing Company. In response, Members were told that engagement was necessary with the Homes and Communities Agency to unlock the assets necessary to enable housing development. This could be achieved by placing resources for the building of homes back with each local authority.

A question was asked concerning whether there was sufficient internal challenge in the Local Enterprise Partnership by the private sector and in response; Members were informed that the right people from the private sector were required. The Combined Authority had to take a leadership role.

The Council noted the information reported in relation to the Sheffield City Region Growth Deal and thanked Councillor Sir Steve Houghton and Mr Ben Still for their presentation.

(Note: The Deputy Lord Mayor (Councillor Talib Hussain) Chaired the meeting for this item of business, the Lord Mayor (Councillor Peter Rippon) having left the meeting.)

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## HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN UPDATE, HRA BUDGET AND RENT INCREASE 2015/16

At its meeting on 14th January 2015, the Cabinet received a joint report of the Executive Directors, Communities, Place and Resources providing the 2015/16 update to the Housing Revenue Account (HRA) Business Plan. The report also presented a 2015/16 revenue budget for the HRA.

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

## HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN UPDATE, HRA BUDGET AND RENT INCREASE 2015/16

- 16.1 The Executive Directors, Place, Communities and Resources submitted a joint report providing the 2015/16 update to the Housing Revenue Account (HRA) Business Plan.
- 16.2 **RESOLVED:** That this Cabinet recommends to the meeting of the City Council on 4th February, 2015 that :-
- (a) the HRA Business Plan report for 2015/16 as set out in Appendix A to the report is approved;
  - (b) the HRA Revenue Budget for 2015/16 as set out in Appendix B to the report is approved;
  - (c) rents for Council dwellings are increased by 2.2% from April 2015;
  - (d) rents for garages and garage sites are frozen at 2014/15 levels and not increased from April 2015;
  - (e) Community Heating charges are not increased from April 2015;
  - (f) the burglar alarm charge which is due to be amended during 2014/15 following a procurement is not increased from April 2015;
  - (g) the Sheltered Housing service charge which is due to be amended during 2014/15 is not increased from April 2015;
  - (h) charges for temporary accommodation and furnished accommodation are not increased;
  - (i) the Director of Commissioning, Communities and the Director of Finance, in consultation with the Cabinet Member for Homes and Neighbourhoods, be granted delegated authority to authorise prudential borrowing as allowed under current government guidelines; and

- (j) the specific projects proposed in the report be brought forward for Member approval in accordance with the Council's Capital Approval process as business cases are developed.

(NOTE: An updated copy of the joint report, incorporating the additional information at paragraph 7.4 which had been reported to the meeting of the Cabinet, is appended to this report.)

John Mothersole  
Chief Executive



# SHEFFIELD CITY COUNCIL

## Cabinet Report

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<b>Report of:</b>	Executive Director, Communities Executive Director, Place Executive Director, Resources
<b>Report to:</b>	Cabinet
<b>Date:</b>	14 <sup>th</sup> January 2015
<b>Subject:</b>	Housing Revenue Account (HRA) Business Plan, HRA Budget and Rent Increase 2015/16
<b>Author of Report:</b>	Liam Duggan
<b>Key Decision:</b>	YES
<b>Reason Key Decision:</b>	Expenditure/savings over £500,000 Affects 2 or more wards

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### Summary:

This report provides the 2015/16 update to the Housing Revenue Account (HRA) Business Plan. It includes new proposals to:-

- build or buy 1,000 council homes by 2019/20 helping more Sheffield people access good quality affordable housing – and bringing into Sheffield £2m of national funding;
- increase the support we give to tenants by putting in place a new local approach to housing and neighbourhood management;
- pursue the option of installing up to 6,000 photovoltaic (PV) panels on council housing roofs as part of the new roofing contract - bringing in over £30m of subsidies from energy companies to offset costs, more than doubling the PV capacity of the city, creating or maintaining 250 jobs, and reducing tenants' energy bills;
- invest in 3,400 Council-owned garages and garage sites to improve standards for tenants, make garages more economically viable, and prepare some sites for new council housing development;
- increase the size of the core 5 year investment programme to £330m– protecting or maintaining 350 jobs

This report also presents the 2015/16 revenue budget for the HRA.

A separate report on the Capital Programme, which includes the Council Housing Investment programme 2015/16, will be discussed by Cabinet on 11<sup>th</sup> February 2015. This will include details of the Council's funded capital investment plan for council housing which complement the service and financial plans for the HRA in this report.

The rent increase for 2015/16 continues to be set in line with Government guidance.

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### **Reasons for Recommendations:**

To optimise the number of good quality affordable council homes in the City.

To make neighbourhoods safer, more attractive places to live through continued investment in Sheffield's council housing and estates.

To enable tenants to live independently and well in their own home by providing the support they need when they need it.

To help tenants deal with a challenging economic climate and remain warm in their homes by ensuring energy bills are as low as possible.

To maximise the financial resources to deliver key outcomes for tenants and the City in the context of a self-financing funding regime.

To assure the long term sustainability of council housing in Sheffield.

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### **Recommendations:**

It is recommended that Cabinet recommends to the meeting of the City Council on 4<sup>th</sup> February 2015 that:

1. The HRA Business Plan report for 2015/16 as set out in Appendix A to this report is approved
2. The HRA Revenue Budget for 2015/16 as set out in Appendix B to this report is approved
3. Rents for Council dwellings are increased by 2.2% from April 2015
4. Rents for garages and garage sites are frozen at 2014/15 levels and not increased from April 2015
5. Community Heating charges are not increased from April 2015
6. The burglar alarm charge which is due to be amended during 2014/15 following a procurement is not increased from April 2015
7. The Sheltered Housing service charge which is due to be amended during 2014/15 is not increased from April 2015
8. Charges for temporary accommodation and furnished accommodation are not increased
9. The Director of Commissioning, Communities and the Director of Finance, in consultation with the Cabinet Member for Homes and Neighbourhoods, be

granted delegated authority to authorise prudential borrowing as allowed under current government guidelines

10. That the specific projects proposed in this report will be brought forward for member approval in accordance with the Council's Capital Approval process as business cases are developed

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### **Background Papers:**

Report to Cabinet, *Housing Revenue Account (HRA) Business Plan Update, HRA Budget and Rent Increase 2014/15*, 15<sup>th</sup> January 2014

<http://sheffielddemocracy.moderngov.co.uk/ielIssueDetails.aspx?IId=12818&PlanId=0&Opt=3#AI7171>

Report to Cabinet, *Housing Revenue Account (HRA) Business Plan Update, HRA Budget and Rent Increase 2013/14*, 16<sup>th</sup> January 2013

<http://sheffielddemocracy.moderngov.co.uk/ieDecisionDetails.aspx?ID=791>

Report to Cabinet, *Housing Revenue Account Business Plan 2012-17*, 25<sup>th</sup> January 2012

<http://sheffielddemocracy.moderngov.co.uk/CeListDocuments.aspx?MID=3748&RD=Agenda&DF=25%2f01%2f2012&A=1&R=0>

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**Category of Report:        OPEN**

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## Statutory and Council Policy Checklist

<b>Financial Implications</b>
Yes    Cleared by: Karen Jones
<b>Legal Implications</b>
Yes    Cleared by: Andrea Simpson
<b>Equality of Opportunity Implications</b>
Yes    Cleared by: Phil Reid
<b>Tackling Health Inequalities Implications</b>
NO
<b>Human Rights Implications</b>
YES
<b>Environmental and Sustainability implications</b>
YES
<b>Economic Impact</b>
NO
<b>Community Safety Implications</b>
NO
<b>Human Resources Implications</b>
YES
<b>Property Implications</b>
NO
<b>Area(s) Affected</b>
All areas
<b>Relevant Cabinet Portfolio Lead</b>
Cabinet Member for Homes and Neighbourhoods Cabinet Member for Finance and Resources
<b>Relevant Scrutiny Committee</b>
Safer and Stronger Communities Scrutiny and Policy Development Committee
<b>Is the item a matter which is reserved for approval by the City Council?</b>
YES
<b>Press Release</b>
YES

## REPORT TO CABINET

### HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN, REVENUE BUDGET AND RENT INCREASE 2015/16

#### 1.0 SUMMARY

- 1.1 This report provides the 2015/16 update to the Housing Revenue Account (HRA) Business Plan. It includes proposals to
- build or buy 1,000 council homes by 2019/20 helping more Sheffield people access good quality affordable housing – and bringing into Sheffield £2m of national funding;
  - increase the support we give to tenants by putting in place a new local approach to housing and neighbourhood management;
  - pursue the option of installing up to 6,000 photovoltaic (PV) panels on council housing roofs as part of the new roofing contract - bringing in over £30m of subsidies from energy companies to offset costs, more than doubling the PV capacity of the city, creating or maintaining 250 jobs, and reducing tenants' energy bills;
  - invest in 3,400 Council-owned garages and garage sites to improve standards for tenants, make garages more economically viable, and prepare some sites for new council housing development;
  - increase the size of the core 5 year investment programme to £330m– protecting or maintaining 350 jobs
- 1.2 This report also presents a 2015/16 revenue budget for the HRA.
- 1.3 A separate report on the Capital Programme, which includes the Council Housing Investment programme 2015/16, will be discussed by Cabinet on 11<sup>th</sup> February 2015. This will include details of the Council's funded capital investment plan for council housing which complement the service and financial plans for the HRA in this report.
- 1.4 The rent increase for 2015/16 continues to be set in line with Government guidance.

#### 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 approximately 40,700 homes that are home to around 47,400 people as tenants. In addition, 2,256 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 increase of 2.2% will affect many council tenants although those households eligible for housing benefit will see their benefit increase accordingly. A rent increase in line with Government guidance delivers Government- recommended levels of funding for Council Housing whilst taking into account the Government's 2012 debt settlement for Sheffield.

- 2.3 Garage rents will be held at current levels for the Council's 5,400 garages and garage sites pending a programme of refurbishment and demolition. This will assure the provision of council garages/ sites for council tenants and leaseholders in the future and safeguard rental income from garages for the HRA.
- 2.4 The expansion of the stock increase programme will provide 400 additional council homes over the next 5 years on top of existing commitments and provide new and existing tenants with greater choice and availability of high demand, high quality and affordable social housing. New Build council housing attracts government funding to the City of over £10k per property.
- 2.5 Housing Plus will transform the delivery of council housing and neighbourhood services and see every tenant in the City having a named patch officer as their point of contact and better access to the council services they require.
- 2.6 The installation of photovoltaic (PV) panels on the roofs of 6,000 council dwellings would reduce household bills for those homes by an average of around £200 per year and bring into the City over £30m of energy company subsidies.
- 2.7 A core investment programme of around £330m (excluding stock increase) is likely to secure or create around 350 Sheffield jobs with procurement strategies designed to optimise engagement with local contractors. And where the duration and value of the contract justifies the inclusion of employment and skills outcomes the council looks to include work experience, apprenticeships new jobs and upskilling of the workforce.

### **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 (Social Rent guidance, Right to Buy and Welfare Reform), 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 financial challenges which characterised the HRA Business Plan in its early years were:
- The need to delay essential investment to homes from the early to the later years of the plan in order to make it affordable;
  - A number of items which could not be funded so were not built into the plan e.g. refurbishment of communal areas;
  - An inability to make provision for the repayment of debt in full over 30 years.
- 3.4 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 2015/16 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.

- 3.5 The foundation of the HRA Business Plan is to ensure that council homes are occupied because letting homes generates the rental income which funds all aspects of council housing. The Housing Plus proposals strengthen the business plan by improving the capability of the council to support tenancies to succeed and tenants to remain in their home.
- 3.6 The proposals to further increase the delivery of new/ replacement council homes mean that many of the Right to Buy losses in the coming years will be offset by the stock increase programme additions. The programme is largely self-financing and so does not impact on the HRA's ability to deliver existing commitments and it allows Council Housing in Sheffield to retain any additional receipts generated in Sheffield as a result of the Government's 'reinvigoration' of the Right to Buy policy.
- 3.7 The installation of PV panels results in lower energy bills for the households affected and reduced carbon emissions for the City at no net cost to the HRA over the long term.
- 3.8 The purpose of the garage strategy is to provide a sustainable and high demand asset for the benefit of garage owners and the wider HRA.
- 3.9 The revised long term affordability profile of the HRA indicates the financial health of the business plan is now improved. The outlook for the HRA has improved in 2015/16 primarily as a result of significant Housing Plus efficiencies being factored into the plan over the long term, changed long term assumptions in relation to the national Right to Buy policy, the apportionment of receipt income and the timing of capital investment.

#### **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 (predominantly 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 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 These principles have been retained. 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 and in the 2014/15 update all resources required for the refurbishment of communal areas to low rise flats was identified over 5 years.
- 4.5 At the 2014/15 review the HRA Business Plan key priorities were as follows:
- Make full use of the HRA to increase the delivery of new and additional council homes;
  - Activity to mitigate the impact of Welfare Reform;
  - Making best use of the homes by improving the rehousing process and supporting tenants to sustain their tenancy;
  - Invest to save projects on estate services;
  - Tackling the investment backlog early;
  - Refurbishment of communal areas to low rise flats
- 4.6 In 2014/15 the tackling of the investment backlog remained a key priority for the business plan with new plans set out for properties which received no works through Decent Homes. However with a more pessimistic financial outlook at the time, the bringing forward of unfunded activity (additional communal area refurbishment) was only made possible by delaying works to some lower priority elements of the investment programme.

## 5.0 REVIEWING THE BUSINESS PLAN FOR 2015/16

- 5.1 This year's review of the HRA Business Plan has been undertaken during the third year of 'self-financing' The overall structure of the business plan and key themes within it have been retained from previous years.
- 5.2 During 2014/15, tenants and leaseholders were consulted on the business plan through the following meetings:-

Forum	Date
Housing and Neighbourhoods Advisory Panel (HANAP)	22 <sup>nd</sup> July 2014
North Local Area Housing Forum	1 <sup>st</sup> October 2014
North West Local Area Housing Forum	2 <sup>nd</sup> October 2014
Sheltered Local Area Housing Forum	8 <sup>th</sup> October 2014
South West Local Area Housing Forum	14 <sup>th</sup> October 2014
Central Local Area Housing Forum	14 <sup>th</sup> October 2014
Housing and Neighbourhoods Advisory Panel (HANAP)	28 <sup>th</sup> October 2014
South East Area Estate Services and Investment Forum	3 <sup>rd</sup> November 2014
Leaseholder Forum	11 <sup>th</sup> November 2014
East Area Estate Services and Investment Forum	14 <sup>th</sup> November 2014

- 5.3 Tenants and representatives at the Local Area Housing Forums and Estate Services and Investment Forums were updated on the key business plan

developments in 2014/15 and were asked to provide their comments and feedback on some of the probable considerations for 2015/16 such as :-

- Stock Increase
- Garages
- Photovoltaics on Roofs
- Going Local

5.4 Feedback from the forums indicated that the need for an increase in council homes continues to be a high priority for tenants. Investment into garages and garage sites were accepted as being important. Interest was expressed by tenants in photovoltaics, with particular interest in the benefits this would have for council tenants.

5.5 Following the Local Area Housing Forums written answers from all questions raised through the process were circulated to the next round of meetings. This information was also reported to the Housing and Neighbourhoods Advisory Panel (HANAP) meeting on 16<sup>th</sup> December 2014.

5.6 Throughout the year, tenants also have the opportunity to contribute to initiatives impacting on the business plan via a number of Housing and Neighbourhoods Service meetings and events such as Citywide Forum, the Annual Tenant Conference and Challenge for Change.

5.7 The Safer and Stronger Communities Scrutiny and Policy Committee meeting held on 31<sup>st</sup> July provided feedback on Council House Building and on 27<sup>th</sup> November provided feedback on the business plan update and considerations for 2015/16. This feedback included a requirement to undertake more work with tenant representatives to ensure that all tenant questions have been answered and to ensure that proposals are developed in line with the views of tenant representatives. The committee welcomed the idea of photovoltaic panels being installed on Council roofs but asked for assurance about the financial impact on the business plan. The committee also requested further consideration about the impact of the Sheltered Housing Service Charge proposals on tenants previously benefiting from Transitional Protection.

5.8 During 2014/15 all existing planning assumptions and targets in the plan have been reviewed and where necessary updated for 2015/16.

5.9 This report to Cabinet will be discussed with tenant representatives at the Citywide Forum on 8<sup>th</sup> January 2015. Comments and views expressed will be reported verbally to Cabinet.

## **6.0 SUMMARY OF KEY CHANGES FOR 2015/16**

6.1 There have been a number of key developments in 2014 that will impact upon the business plan in 2015/16. These developments and their impacts are summarised below:

6.2 Factors **positively** impacting the financial outlook of the plan

- Significant efficiencies now factored into the plan over the long term as

- a result of a reshaping of the Housing and Neighbourhoods Service
- Changed long term assumptions in relation to Right to Buy Policy and the apportionment of receipt income
- A reducing investment backlog and improving capacity requiring less work to be delayed into the later years of the plan

6.3 Factors **negatively** impacting the financial outlook of the plan

- A lower than forecast rent increase and changed longer term rental assumptions for the period following the expiry of the Government's current rent guidance
- Updated garage rent assumptions which better reflect deterioration in stock if no investment made

6.4 The net impact of this year's revised planning assumptions and financial modelling is that the business plan now forecasts equivalent resources over 30 years to repay borrowing in full. The plan can be considered viable. In addition the HRA has capacity which can be employed by either bringing forward additional 'unaffordable' activity or by cash flowing schemes which generate a return to the HRA (and so are financially neutral overall) and which would otherwise have been limited by the Government's debt cap.

6.5 The strategic choices for the HRA Business Plan 2015/16 are:-

- Delivery of new/ replacement council homes to be accelerated with 1,000 homes to be delivered by 2019/20 in order to give more Sheffield people access to high quality affordable housing
- Increasing the support available to tenants by putting in place a new local approach to housing management (Housing Plus)
- Pursuing the option to install photovoltaic (solar) panels to up to 6,000 council homes in the coming years, at no net cost to the HRA over the long term and to reduce household bills for those homes by around £200 per year
- Implementation of the garage strategy to arrest the forecast reduction in garage rent loss, improve the condition and look of Council owned garages and potentially release sites for new council housing development
- New arrangements for Going Local to maintain local investment levels whilst speeding up the purchasing process and ensuring value for money

## 7.0 INCOME AND RESOURCES

7.1 It is proposed that dwelling rents for 2015/16 increase by 2.2%. This is in line with Government guidance and is equivalent to an average increase of £1.64 per week. Rent increases in line with guidance deliver government recommended levels of funding for Council Housing whilst taking into account the Government's 2012 debt settlement for Sheffield. Appendix D sets out the average rents per house size in Sheffield.

7.2 In May 2014, Government issued Guidance for Rents in Social Housing which set out the Government's policy on rents for social housing. The guidance confirmed that the 'target' social rent for each property would continue to be set using the existing formula but that from 2015-16, rents

should increase by up to CPI (Consumer Price Index) + 1 percentage point annually for ten years. This ended the rent restructuring process ('convergence') one year earlier than expected and left actual rents in Sheffield *an average of* £1.09/ week below the target ('formula') level. In order to close this gap and make rents in Sheffield equitable by other means it was decided last year to re-let properties at the target level after they fall vacant. This process, which by November 2014 had reduced the gap between actual rents and target rents to £1.04/ week, will continue.

- 7.3 In Sheffield, council properties have historically been revalued following Decent Homes work and if the property value was judged to have increased significantly as a result of the work, the rent was increased accordingly. As the Decent Homes programme has now ended it is proposed that this practice also ends and all properties are valued consistently as at the Sheffield Standard. A review will be undertaken to ensure that once the revaluation process has ended comparable properties do have the same valuation.
- 7.4 Rents to council properties declared for demolition continue to be exempt from the annual rent increase in recognition that these properties are no longer subject to the same investment standards as other properties. Such properties excluded from the 2015/16 rent increase are the remaining tenanted properties in the following schemes:-
- Parkhill
  - Sweeney House
  - Arbourthorne Fields 2b and 3a

Should Arbourthorne Fields phase 3b be declared for demolition by the Director of Development and Regeneration Services before 6<sup>th</sup> April 2015 this will also be held with no increase in 2015/16.

- 7.5 It is recommended that rents for garages and garage sites be frozen at the 2014/15 rates in line with the recommendations of the garage strategy.
- 7.6 The Sheltered Housing Service Charge is due to be amended in February 2015 following withdrawal of the supported housing subsidy in 2014. The proposed charge will seek to mitigate the financial impact of the withdrawal of subsidy on tenants but will require all tenants to pay for costs not eligible for Housing Benefit. All 36 tenants impacted by the ending of Transitional Protection have been contacted by the Housing and Neighbourhoods Service and are being offered support to optimise household income along with access to the Hardship Fund as appropriate. The revised charging arrangements will not increase in 2015/16.
- 7.7 The Community Heating service charge will not be increased for 2015/16. Whilst there remains a trading deficit on this account, an improved forecast trading position on the account in 2014-15 along with the security of having funds held in reserve to mitigate risk, makes it possible to hold prices for 2015/16. A breakdown of all Community Heating service charges are set out in Appendix D to this report.
- 7.8 A new burglar alarm contract is due to be awarded in 2014/15 and as a

result, the charge will be reviewed and amended. The charge will not be increased for 2015/16 although it will again be reviewed in the event of any new procurement.

- 7.9 Charges for Temporary Accommodation and Furnished Accommodation will not be increased in 2015/16.
- 7.10 Capital resources have been assumed as match funding for the stock increase programme. Use of some of these resources are subject to the wider Council's capital programme approvals and so will be subject to ongoing review.
- 7.11 Detail in the HRA Business Plan 2015/18 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 and to start bringing forward activity previously deemed unaffordable such as the delivery of new homes and the refurbishment of communal areas.
- 8.2 The key priorities for the investment programme in 2014/15 have been to continue to address the existing and emerging heating backlog; award new pitched and flat roofing contracts, undertake a procurement for replacement kitchens, bathrooms, windows and doors, survey work for the communal areas of all low rise flats and maisonettes and a procurement for phase 1 of the Council Housing new build programme.
- 8.3 No changes have been made to the existing investment priorities for the 5 year programme although budgets have been adjusted to reflect updated cost estimates, investment need and the planned delivery timetable.
- 8.4 In addition to the existing programme, new priorities for 2015/16 have been identified. The stock increase programme will now deliver 1,000 new replacement homes by 2019/20, increasing the choice and availability of high quality affordable homes in the City.
- 8.5 Investment work will begin on garages and garage sites from 2015/16. New investment of £3.3m is proposed over a 4 year period in 3,400 garages. 1,291 garages and garage sites are not sustainable and it is proposed that these garages are demolished. This will secure the viability of garages for the long term and may offer sites for new council house development.
- 8.6 The option to install photovoltaic (PV) panels on around 6,000 council dwellings as part of the roofing contract from 2015/16 will be pursued. This should reduce energy bills for these homes by around £200/ year. The installation and maintenance of the panels would be offset through subsidy and so is forecast to be cost neutral to the HRA over the long term. Should conditions change adversely such that the scheme ceases to be a viable concern the installation process will be reviewed and halted.

8.7 In order to maintain a 5 year planning horizon, planning figures for 2019/20 have been added to the programme consistent with the priorities set out in previous years. This includes a provision for the start of works to communal areas of maisonettes.

8.8 Detail in the HRA Business Plan update report (Appendix A) section 4, summarises the key changes for Homes.

## **9.0 TENANT SERVICES**

9.1 In 2014/15, the Income Management Unit (IMU) budget was increased by over £600k in order to increase the level of support available to tenants affected by Welfare Reform. Most of the increase in budget was for a Hardship Fund for tenants affected by welfare reform but also for additional capacity to help prepare tenants for the introduction of Universal Credit. It is now estimated that only £150k /annum hardship fund will be required in 2014/15 and 2015/16 such that the remaining budget can be rolled forward to future years to coincide with the introduction of Universal Credit and when the availability of Discretionary Housing Payments (DHP) is likely to be less.

9.2 Work towards the implementation of the new Allocations Policy, which will see council housing being allocated in the most efficient way to meet local housing needs, began in April 2014 and is now due to complete in October 2015. A budget of £115k is proposed for 2015/16 and expected efficiencies of £50k per annum relating to vacant rent loss are applied to the budget.

9.3 The new Choice Based Lettings (CBL) ICT system has now been implemented and has been in operation since October 2013. This system, which has streamlined the rehousing and bidding process, is projected to deliver annual savings of £200k, which are a combination of savings from vacant management costs, rent loss and rehousing costs.

9.4 The Successful Tenancies project was established to develop a closer understanding of the cause of tenancy failure. This project ended in June 2014, with an exit strategy agreed to ensure that tenants supported as part of the pilots continue to receive the support they need for as long as they need it. The costs and savings anticipated by this project are now subsumed within Housing Plus.

9.5 Housing Plus proposals were approved by Cabinet in March 2014 which will improve the customer experience and support to tenants who want to remain in their home. The anticipated implementation costs for Housing Plus of around £2.5m for 2015-17 include project, implementation, ICT, training and equipment costs. Around £500k/ annum net savings are anticipated within 4 years of Housing Plus implementation from savings associated with reduced property turnover (vacant repairs, responsive repairs, other non-staff costs and staff costs), reduced face to face enquiries, reduced rent arrears and accommodation savings. The citywide roll out of Housing Plus is planned from June 2015 and will involve a wholesale restructure of the Housing and Neighbourhoods Service. The transition to a new organisational structure is likely to result in a temporary

increase in staffing costs up to 2016/17 but these will not be known until the restructure is complete.

9.6 In October 2014, Cabinet agreed the integration of housing grounds maintenance by estate officers in the Council Housing Service into the Parks and Public Realm service and the review of grounds maintenance delivery in order to improve the quality of service whilst maintaining standards and providing financial savings. The integration will offer the opportunity to deliver around £37k HRA savings plus £5k General Fund savings for Council Housing (compared with the £80k target in the business plan) from better efficiency from vehicles, green waste and tipping, plus increased management capacity for the housing service pending the introduction of Housing Plus. Savings of £150k are profiled into the business plan in future years in anticipation of further efficiencies emerging through the consolidation of the new service.

9.7 Savings have been made on tipping costs in 2013/14 but increases to the landfill charge have made further savings in 2014/15 difficult to achieve. A landfill charge increase has been recognised in the 2015/16 budget and it is proposed to delay the 2015/16 and 2016/17 savings by 12 months in order that education and enforcement activity is given time to impact. Staff savings are yet to be realised as a result of fly-tipping. These savings will be considered as part of a future Estate Service restructure.

9.8 A commitment was made in the 2014/15 business plan to review Going Local. The purpose of the review was to retain local discretion to fund activity which is important locally and does not need a major procurement, to improve value for money by channelling works through major contracts and to improve the speed of purchasing by having more clearly defined budgets. The Going Local proposal is as follows:-

1. The £200k Going Local budget already reserved for communal areas is transferred to the investment programme
2. A new 'Enhanced Maintenance' allowance of £70k is devolved from repairs local area teams to allocate works which are important locally
3. A Community Fund of £170k is allocated to local area teams to replace the consultative budget and Going Local and to quickly and simply fund local priorities which do not require a procurement

The proposal ensures that overall the amount of money available to each housing area is maintained.

9.9 In 2014/15 the allocated budget of £51k (including £6k underspend rolled forward from 2013/14) for digital inclusion included £11k towards the Digital Boost project and £40k for Council Housing Service interventions. The interventions will be in place by 2015/16 following on from the Digital Boost project which will be coming to an end.



- 9.10 The City Stewardship programme ended when the Construction and Building Services Contract ended in April 2014. Since April 2014 interim arrangements have been established to cover the work elements that were previously provided by the City Stewardship and work has been undertaken to develop new training and employment opportunities within the Housing and neighbourhoods Service including Training and Apprenticeships, Traineeship work placements and work experience. These schemes will bring new talent into the housing service and support young people to achieve the qualifications they need to begin a successful career in housing.
- 9.11 Detail in the HRA Business Plan update report, section 5, summarises the key changes for Tenant Services.

## **10.0 DEBT AND TREASURY MANAGEMENT**

- 10.1 Since the transition to self-financing in 2012 the overall debt strategy for the HRA has been to externalise its internal borrowing by taking on fixed rate loans to mitigate some of the interest rate risk inherent in the HRA loan portfolio.
- 10.2 In 2014/15 this internal borrowing is now limited to the borrowing by the HRA from the HRA's own cash reserves (revenue and capital reserve). The result of this is a reduction in the proportion of the loan portfolio at risk from interest rates to 38%.
- 10.3 The aim of the business plan is now to make a transition to a more robust approach for mitigating interest rate risk over the coming years. The ability to set aside sufficient resources for the repayment of debt in line with the actual maturity profile of the loan portfolio may not be affordable immediately given current commitments, but in time will offer the HRA greater capacity for the delivery of stock increase schemes and lower financing costs over the long term.
- 10.4 The HRA Treasury Management Strategy for the coming months is to defer taking on debt while the level of reserves are sufficient to cover the level of internal borrowing but maintain flexibility to externalise debt should the interest rate climate change significantly.
- 10.5 The use of the 'Allowable Debt' element of the Right to Buy receipt to pay down HRA borrowing to compensate it for lost rental income, or to offset future borrowing for viable stock increase schemes, will ensure that Right to Buy losses can be sustained by the business plan in future.
- 10.6 Detail in the HRA Business Plan update report, section 6, summarises the key changes for Debt and Treasury Management.

## **11.0 VALUE FOR MONEY**

- 11.1 The 2012 HRA Business Plan set a target to achieve efficiency savings in 2012/13 and beyond on the 'support costs' of Sheffield Homes and the Council. These have now been realised.

- 11.2 In 2013/14, £1.2m efficiency savings were built into the business plan to take account of the Future of Council Housing integration. To date around £650k/annum savings have been made from senior management costs as a result of the integration of the ALMO with the council and around £450k/annum of back office savings are secured.
- 11.3 In April 2014 the new three year repairs contract with Kier Services commenced. The budgets for years 2 (2015/16) and 3 (2016/17) of this contract have been set such that the minimum savings required from the new contract are realised. Savings required as a result of Housing Plus implementation then reduces this envelope further. Further savings will be sought from repairs in future years as a consequence of the ongoing investment in boilers and roofs, and from the kitchen and bathroom investment which is now being made to vacant properties not meeting the Sheffield standard. The Council is now reviewing options for the repairs service in the long term with a Cabinet steer expected in the summer 2015.
- 11.4 In line with last year's assessment, an additional £0.5m budget will be set aside in 2015/16 to fund the Council Housing Service's exposure to insurance liabilities. This budget is then expected to reduce in 2016/17. A £0.8m budget provision is made in 2015/16 in relation to the overall office accommodation consolidation strategy.
- 11.5 Detail in the HRA Business Plan update report, section 7, summarises the key changes for Value for Money.

## **12.0 BUSINESS PLAN GOVERNANCE**

- 12.1 The governance of the HRA Business Plan includes tenant governance and scrutiny, political governance and officer structure.
- 12.2 The Housing and Neighbourhood Advisory Panel (HANAP) replaced the Interim Sheffield Council Housing Board (ISCHB) in June 2014. The membership of HANAP consists of an elected tenant representative from each housing area, a Leaseholder Forum representative plus the Cabinet Member and Adviser with officer support where required. The HRA Business Plan annual review 2015/16 has been the subject of discussion by this group three times in 2014/15.
- 12.3 Council tenants and residents continue to have the opportunity to be involved in the development of the HRA business plan and/ or the projects within it through a number of other established fora across the city including Citywide Forum, Local Area Housing Forums, Leaseholder Forum and the Partnership Groups.
- 12.4 During the course of 2014/15 the Safer and Stronger Communities Scrutiny & Policy Development Committee has provided feedback on both the HRA Stock Increase programme and the annual review of the HRA Business Plan for 2015/16.
- 12.5 In 2014 the Council has purchased new financial modelling software for the HRA Business Plan. This has improved the quality of the financial

forecasting.

- 12.6 Detail in the HRA Business Plan update report, section 2, summarises the key updates concerning Governance.

### **13.0 RISK MANAGEMENT**

- 13.1 The risk management plan is the basis of the Council's risk management strategy for the HRA Business Plan.
- 13.2 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. It should be noted that the HRA currently has some loans that mature beyond 30 years.
- 13.3 Following an assessment of the risks to the HRA in the coming 5 years it is proposed that the risk based reserve is reduced to £8.8m

### **14.0 FORECAST OUTTURN 2014/15**

- 14.1 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.
- 14.2 The position for the HRA as at the end of October 2014 was a projected in-year surplus of £12m compared with a budgeted surplus of £6.9. This is an improvement of £5.1m. In accordance with the HRA's financial strategy this revenue surplus / saving generated by the account has been used to provide further funding for the future HRA capital investment programme and has been factored into this update of the Business Plan.
- 14.3 Further monitoring reports updating the 2014/15 position will be presented in accordance with the Council's budget monitoring timetables.

### **15.0 HRA BUDGET PROPOSALS FOR 2015/16**

- 15.1 The HRA Business Plan report 2015/16 (at Appendix A) sets out the proposals for 2015/16 and includes the key changes described in the Income, Homes, Tenant Services and Value for Money sections above.

### **16.0 RECOMMENDED HRA BUDGET 2015/16**

- 16.1 The 2015/16 HRA revenue budget is set out in Appendix B. The HRA opening reserve for 2015/16 will be £10m.
- 16.2 The 2015/16 budget is based on an assumed in year surplus of £11.1m which will be used to fund the capital programme.

16.3	<b>Summary Recommended Budget 2015/16</b>	<b>HRA revenue (£m)</b>
	Opening revenue reserve April 2015	10
	Net Surplus/(Deficit) for year	11.1
	Transfer to the Capital Programme	12.3
	Closing Revenue Reserve (excluding community heating)	8.8
	Closing Community Heating balance	1.7

16.4 It is proposed to retain a community heating reserve of £1.7m to smooth out the impact of expected future energy price increases and possible changes in demand resulting from the roll out of heat metering.

## **17.0 FINANCIAL IMPLICATIONS**

17.1 The 2015/16 budget is the fourth 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.

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

17.3 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.

17.4 Further details on the Council Housing Capital programme will be set out in the report to Cabinet on 11 February 2015.

17.5 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 2015/16 in the light of any known changes.

## **18.0 LEGAL IMPLICATIONS**

18.1 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. This formerly included provision for annual HRA subsidy paid central Government to local housing authorities, as determined by the Secretary of State.

18.2 The housing finance provisions of the Localism Act 2011 amended Part VI of the 1989 Act by abolishing HRA subsidy but providing 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.

## **19.0 HUMAN RESOURCES IMPLICATIONS**

- 19.1 Some of the financial efficiency targets in the Tenant Services section of this report may have implications for some teams.
- 19.2 Where any proposal does impact on teams the Council's Achieving Change and Managing Employee Reductions (MER) procedures will be followed.

## **20.0 ENVIRONMENTAL & SUSTAINABILITY IMPLICATIONS**

- 20.1 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 2015.

## **21.0 EQUALITY OF OPPORTUNITY IMPLICATIONS**

- 21.1 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.
- 21.2 The Capital Programme report to Cabinet on 21 February 2015 will deal with any equalities considerations relating to the Council Housing Investment programme.
- 21.3 Any in-year proposed change in policy or service provision will require an individual Equality Impact Assessment.

## **22.0 PROPERTY IMPLICATIONS**

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

## **23.0 ALTERNATIVE OPTIONS CONSIDERED**

- 23.1 To increase rents for Council dwellings by less than the Government guidance- The Government's self-financing debt settlement of 2012 was made in view of its expectation that each Local Authority would set rents in line with Government Guidance. To raise rents by less than the guidance amount would detrimentally impact on the ability of the HRA to carry this debt whilst providing Government recommended funding to services and investment.
- 23.2 Not to prioritise the funding of Photovoltaic Panels- the option of delivering photovoltaic panels, which bring high levels of investment into the city and financial benefit to thousands of tenants, is cost neutral to the HRA because of the lower costs associated with it being installed alongside the re-roofing works. Because of this the subsidy payments for PV are expected to cover

the cost of the installation and maintenance and management over the long term. If other investment were prioritised ahead of PV at this time there would be no opportunity to bring PV investment forward in future, unlike the alternative options.

## **24.0 REASONS FOR RECOMMENDATIONS**

- 24.1 To optimise the number of good quality affordable council homes in the City.
- 24.2 To make neighbourhoods safer, more attractive places to live through continued investment in Sheffield's council housing and estates.
- 24.3 To enable tenants to live independently and well in their own home by providing the support they need when they need it.
- 24.4 To help tenants deal with a challenging economic climate and remain warm in their homes by ensuring energy bills are as low as possible.
- 24.5 To maximise the financial resources to deliver key outcomes for tenants and the City in the context of a self-financing funding regime.
- 24.6 To assure the long term sustainability of council housing in Sheffield.

## **25.0 RECOMMENDATIONS**

- 25.1 It is recommended that Cabinet recommends to the meeting of the City Council on 4<sup>th</sup> February 2015 that:
  - 1. The HRA Business Plan report for 2015/16 as set out in Appendix A to this report is approved
  - 2. The HRA Revenue Budget for 2015/16 as set out in Appendix B to this report is approved
  - 3. Rents for Council dwellings are increased by 2.2% from April 2015
  - 4. Rents for garages and garage sites are frozen at 2014/15 levels and not increased from April 2015
  - 5. Community Heating charges are not increased from April 2015
  - 6. The burglar alarm charge which is due to be amended during 2014/15 following a procurement is not increased from April 2015
  - 7. The Sheltered Housing service charge which is due to be amended during 2014/15 is not increased from April 2015
  - 8. Charges for temporary accommodation and furnished accommodation are not increased
  - 9. The Director of Commissioning, Communities and the Director of Finance, in consultation with the Cabinet Member for Homes and Neighbourhoods, be granted delegated authority to authorise prudential borrowing as allowed under current government guidelines
  - 10. That the specific projects proposed in this report will be brought forward for member approval in accordance with the Council's Capital Approval process as business cases are developed.

Liam Duggan - HRA Business Plan Team Manager

## Sheffield City Council Housing Revenue Account (HRA) Business Plan 2015/16

### 1. INTRODUCTION

#### a) Purpose of this Report

This is the Housing Revenue Account (HRA) Business Plan report for 2015/16. This report:-

- Proposes HRA rents and charges for 2015/16
- Proposes budgets for 2015/16
- 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 Structure

The HRA Business Plan 2015/16 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 2015/16 report is the third annual update since the approval of the original plan in 2012 which marked the start of the self-financing arrangements. Existing priorities for the HRA Business Plan are as follows:

- Make full use of the HRA to increase the delivery of new and additional council homes

- Activity to mitigate the impact of Welfare Reform
- Making best use of the homes we have by improving the rehousing process and supporting tenants to sustain their tenancy
- Invest to save projects on estate services
- Tackling the investment backlog early including investment in heating systems and new roofing
- A programme of refurbishment to communal areas with an emphasis on door security, new flooring and windows

#### **d) Summary of Key Changes to Planning Assumptions 2015/16**

A number of key developments in 2014 have impacted on the business plan for 2015/16 and beyond. These are summarised below:

Factors **positively** impacting the financial outlook of the plan

- Significant Housing Plus efficiencies now factored into the plan over the long term
- Changed long term assumptions in relation to the national Right to Buy policy and the apportionment of receipt income
- A reducing investment backlog and improving capacity requiring less work to be delayed into the later years of the plan

Factors **negatively** impacting the financial outlook of the plan

- A lower than forecast rent increase and changed longer term rental assumptions for the period following the expiry of the Government's current rent guidance
- Updated garage rent assumptions which better reflect deterioration in stock if no investment made

#### **e) Financial health the HRA Business Plan**

The net impact of our revised planning assumptions is that the business plan now forecasts equivalent resources over 30 years to repay borrowing in full.

This capacity can be put to use in the following ways:

- a. Bring forward core investment into the next 5 years which was previously deemed unaffordable.
- b. Cashflow schemes which generate a return for the HRA (and so are financially neutral overall) and which would otherwise have been limited by the Government's debt cap.

#### **f) Strategic Choices**

The strategic choices for the HRA Business Plan 2015/16 are:-

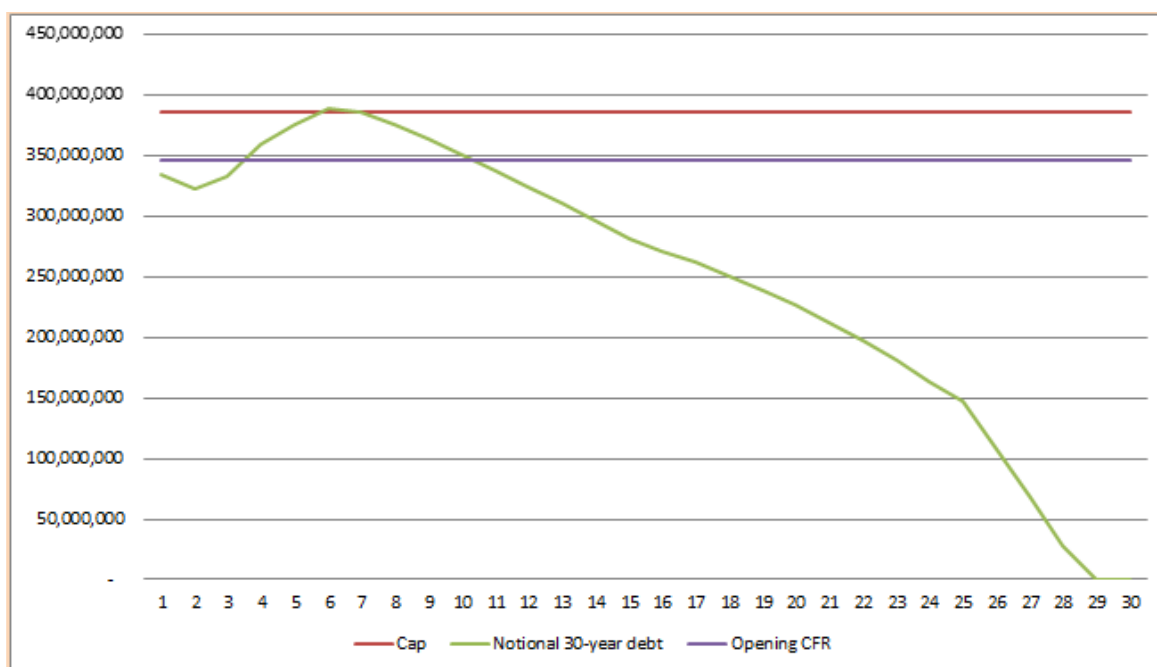
- build or buy 1,000 council homes by 2019/20 helping more Sheffield people access good quality affordable housing – and bringing into Sheffield £2m of national funding;
- increase the support we give to tenants by putting in place a new local approach to housing and neighbourhood management;



- pursue the option of installing up to 6,000 photovoltaic (PV) panels on council housing roofs as part of the new roofing contract - bringing in over £30m of subsidies from energy companies to offset costs, more than doubling the PV capacity of the city, creating or maintaining 250 jobs, and reducing tenants' energy bills;
- invest in 3,400 Council-owned garages and garage sites to improve standards for tenants, make garages more economically viable, and prepare some sites for new council housing development;
- new arrangements for Going Local intended to maintain local investment levels whilst speeding up the purchasing process and ensuring value for money

#### f) Revised 30 Year Affordability Profile

The new long term viability assessment of the HRA Business Plan for 2015/16 is shown below. Equivalent resources are currently forecast over 30 years for the full repayment of debt and accordingly the business plan can be considered viable.



All long term forecasts are a series of assumptions based on information available at a point in time. This is only an indicative guide which must be subject to regular review.

## **2. GOVERNANCE**

### **a) Overview**

HRA governance includes three key structures; tenant governance and scrutiny; political governance and officer structure. This section of the business plan sets out the current governance arrangements and how these will be further developed in partnership with tenants and stakeholders.

### **b) Tenant and Resident Involvement**

Tenant involvement in the development, review and delivery of the HRA business plan takes place in a number of different ways.

#### *Housing and Neighbourhoods Advisory Panel*

The Housing and Neighbourhood Advisory Panel (HANAP) replaced the Interim Sheffield Council Housing Board (ISCHB) in June 2014. The membership of HANAP consists of an elected tenant representative from each housing area, a Leaseholder Forum representative plus the Cabinet Member and Adviser with officer support where required. Its purpose is to:

- Provide scrutiny and challenge around services delivered to City Council tenants and leaseholders.
- Act as a sounding board and source of advice for the Cabinet Member for Homes and Neighbourhoods on issues of concern to tenants and leaseholders.
- Play an active role in developing policies and strategies to enhance and improve the sustainability of neighbourhoods and communities across the city.

In 2014/15, HANAP has taken the lead on a range of TARA and Community Engagement reviews and in formulating recommendations on the way forward for the Cabinet Member's consideration.

#### *Other consultation fora*

Council tenants and residents continue to have the opportunity to be involved in the development of the HRA business plan and/ or the projects within it through a number of other established forums across the city including:-

- Citywide Forum
- Local Area Housing Forums
- Estate Services and Investment Forums
- Leaseholder Forum
- Partnership Groups

The Council is looking to strengthen the Local Area Housing Forums and intends to review its arrangements for engagement with tenants and leaseholders in 2015.

## *Tenant and Resident Associations*

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. In order for a more consistent approach to TARA management, a review of the TARA Recognition Policy took place in 2014 and a new policy was agreed in August 2014. A launch event was held in September for TARA representatives to attend and six area events took place during September and October. The new policy will be fully implemented over the next 12 months.

In 2013/14 work took place to begin to establish an independent federation of tenants and residents for Sheffield in order to strengthen the voice of tenants and represent their interests. A commitment was made in the 2014/15 business plan report to support the development of an independent Tenant Federation. Funding was offered subject to the group's establishment, the production of a robust business plan and progress being made. No funding has yet been released in 2014/15 as the group have not yet satisfied these criteria.

### **c) TARA funding**

Recognised TARAs are funded by tenants via the Tenant Levy and are also supported by the Housing Revenue Account for the contribution they make.

#### *Council Tenant Levy*

Many council tenants pay a levy that goes towards the running and support costs of the local TARA. The levy is 10p / week collected by the Council and paid quarterly to TARAs that are compliant with the Council's TARA Recognition Policy. Each TARA that receives the levy payment can decide what this is spent on within their local area/estate. The tenant levy currently generates around £200k per annum.

#### *Council Housing Concessionary Lettings*

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 29 concessionary lettings (28 properties plus 1 garage) granted to TARAs citywide (North 8, North West 5, East 5, Central 2, South East 6 and South West 3). Rent loss to the HRA as a result of these concessionary lets will be around £100k in 2014/15.

The HRA also provides 'council tax relief' for concessionary lets. TARAs are currently entitled to 80% mandatory tax relief on National Non Domestic rates. The remaining 20% is paid by the HRA totalling around £8k per annum. Other support includes payment of water rates, a repairs service and the provision of annual gas safety and other health and safety checks.

The current Concessionary Lettings Policy was adopted in 2000 with a decision in 2010 that a review of the policy would be undertaken for those properties managed via the HRA and that new concessionary lets to Voluntary Community and Faith Sector organisations would be suspended in the interim.

### *Council Housing Community Buildings*

TARAs and lunch clubs are not charged for the use of the HRA's forty community buildings because of the contribution they make to the involvement of tenants, the sustainability of estates and the HRA business plan.

The charging of other groups for the use of HRA community facilities is at the discretion of the area housing teams. Informal guidance on hire rates for such groups was developed in 2009 but not adopted consistently across the city. Income to the HRA from community buildings is around £25k /annum compared with a potential income of up to £110k were this guidance to have been applied (with no subsequent impact on usage).

The financial benefit to TARAs of not being charged in line with the 2009 guidance equates to around £50k/ annum. Charging arrangements for Council community buildings are currently under review.

### **c) Council Member Governance**

Elected members' role in relation to the business plan will continue via decision making by the Cabinet Member, the Cabinet and Full Council. Cabinet and Full Council have a role in approving the annual HRA budget and business plan. Cabinet receives a formal finance report each month which includes revenue and capital aspects of the plan.

In 2014/15 the Safer and Stronger Communities Scrutiny & Policy Development Committee have provided feedback on the HRA Stock Increase programme and the annual review of the HRA Business Plan for 2015/16.

The Cabinet Member and Cabinet Advisor also chair and attend respectively the Housing and Neighbourhood Advisory Panel (HANAP) which has replaced the Interim Sheffield Council Housing Board.

### **d) Council Officer Governance**

The HRA Business Plan Board is responsible for monitoring performance against the business plan and coordinating the annual review and update of the plan.

In 2014 the Council has purchased new financial modelling software for the HRA Business Plan. This has improved the quality of the financial forecasting.

### **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 impact of Welfare Reform remains a significant risk to the business plan. The forecasted impact of Welfare Reform has been updated and uplifted slightly compared to 2014/15's forecast. The key changes from last year's forecast are as follows:

- The arrears forecast has been re-profiled due to Universal Credit migration being compressed into 2 years
- Arrears caused by under-occupancy were mostly offset by Discretionary Housing Payments (DHPs) in 2013/14
- A cautious estimate of DHP budget received from Government post 2016/17
- Delays to the Pension Credit implementation pushes impacts back to 2018-2020
- Cost of legal actions caused by under-occupancy and Universal Credit revised because of increase in court fees

The longer term impact of arrears anticipated as a result of Universal Credit is expected to peak in 2019/20 with a steady reduction of between 5-10% per annum as current arrears is tackled. The implementation date of Universal Credit, and how it's implemented, will dictate how much and by when arrears will peak. The Government's timetable is for Universal Credit to be widely available across Great Britain during 2016 and during 2016 and 2017 for the majority of all legacy cases to be moved over to the new scheme. However, detailed plans are not currently available.

##### ii. Right to Buy

Forecasts of Right to Buy sales have been updated with a peak of sales forecast in 2015/16 as a result of changes to Right to Buy policy by Government and an improving housing market.

Reducing rental income as a result of Right to Buy sales forecasts has been addressed this year through application of the 'Allowable Debt' element of the Right to buy receipt to the HRA. This sees the notional debt associated with each sold property paid for from receipt income generated by the sale. The result is an improvement in the business plans overall viability.

##### iii. Rent Loss from Vacant Properties

Rent loss from vacant properties increased during 2013/14 to 1.56% from 1.22% in 2012/13. Factors that contributed to this include:

- Reduced demand for some properties in some areas, partly due to Welfare Reform
- Implementation of the new Choice Based Lettings (CBL) ICT system which temporarily impacted on performance for part of the year before delivering efficiency
- A reduction in the number of referrals for temporary accommodation and an increase in turnover which led to a higher vacancy rate of around 30%. As a result units were transferred back into general use.

In 2014/15 rent loss performance is improving but is being kept under review.

### **c) Key Developments**

#### i. Dwelling rent

In May 2014, Government issued Guidance for Rents in Social Housing which sets out the Government's policy on rents for social housing for April 2015 onwards.

The guidance confirms that social rents will continue to be set using the existing formula which takes into account property value, bedroom number and regional earnings. In Sheffield, council properties have historically been revalued following Decent Homes work and if the property value was judged to have increased significantly as a result of the work, the rent was increased accordingly. As the Decent Homes programme has now ended it is proposed that this practice also ends and all properties are valued consistently as at the Sheffield Standard. A review will be undertaken to ensure that once the revaluation process has ended comparable properties do have the same valuation.

The guidance states that from 2015-16, rents in the social sector should increase by up to CPI (Consumer Price Index) + 1 percentage point annually for the next ten years. This confirms the end of rent restructuring and of individual rent increases for different properties. In line with guidance, rents for 2015/16 will increase by an average 2.2%, equivalent to an average increase of £1.64 per week. As in previous years, council property which is declared for demolition will have rents frozen with no increase in recognition that these properties are no longer subject to the same investment standards as other properties.

The Guidance for Rents in Social Housing includes guidance on Affordable Rents which were introduced by the Government at the 2010 spending review. Affordable Rent allows local authorities to set rents at levels that are typically higher than social rents (up to 80% market rent) to enable them to generate additional capacity for investment in new affordable housing. The guidance states that the Government expectation is that the majority of existing rented properties in the social sector will continue to be let at social rent; and the majority of new properties will continue to be let at Affordable Rent. In Sheffield *all* existing rented council housing will continue to be let at social rent. An Affordable Rent will only be applied to new homes located outside of traditional council estates; either to fund schemes which would not be viable at social rent e.g. New Build and larger 4+ bedroom homes, or for schemes part funded by the

Homes and Communities Agency (HCA) where grant conditions specify an Affordable Rent is set.

Finally the guidance set out that Government does not expect local authorities to adhere to its social rent policy expectations in relation to social tenants with high incomes (an annual income of £60,000) and instead encourages landlords to charge such tenants the full market rent. However Sheffield City Council does not support the charging of higher income tenants a different rent to those on lower incomes and so will not be exercising this freedom.

It is assumed, for the purposes of the thirty year financial model, that after the new ten year rent guidance has expired (from 2024/25) a new Government rent policy will advocate rent increases of lower than CPI+1.

## ii. Other charges

Garage rents have traditionally risen in line with dwelling rents. However in line with the newly developed garage strategy recommendations and in order to address customer concerns about high rent levels and poor garage maintenance it is proposed that garage rents are frozen at 2014/15 levels with no increase until investment is completed and rents are rationalised.

The Community Heating service charge will also be held at the current rates for 2015/16 with no increase. 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 planning, an improved forecast trading position on the account in 2014-15 along with the security of having funds held in reserve to mitigate risk, makes it possible to hold prices for 2015/16.

The withdrawal of Housing Related Support subsidy from Sheltered Housing has been phased during 2014/15 with full withdrawal to occur from 2015/16. A new charging structure for the service is due for implementation in early 2015 which is intended to be cash neutral to the HRA and so allow current service levels to continue. It will see a reduced weekly charge although tenants in receipt of housing benefit will have to make a larger contribution than before because the warden and city wide care alarm services, which are integral to Sheltered Housing, are not covered by Housing Benefit.

Tenants occupying a council property fitted with a burglar alarm pay a charge to cover the installation, maintenance and repair of the alarm. A new contract for the installation of burglar alarms is due to be awarded in 2014/15 and when this happens the burglar alarm charge will be amended in line with the new costs. This charge will be reviewed again in the event of any new procurement.

Charges for furnished accommodation and temporary accommodation will remain unchanged in 2015/16.

## **d) Other Developments**

### i. Right to Buy Receipt Income

A revised working assumption is proposed this year in relation to the apportionment of Right to Buy receipt income over the long term. The assumption has previously been that the 3 year agreement with Government to retain receipts from additional sales ('1-1 receipts') would be extended for 3 years and would then end. It is now proposed that the assumption should be that this policy continues indefinitely, along with the new system of apportioning receipts between the Local Authority and Government.

As set out in section b)ii, the 'Allowable Debt' element of the Right to buy receipt will be applied to the HRA to offset borrowing for stock increase purposes. This improves the plan's overall viability whilst also generating more 'borrowing' capacity under the debt cap.

1-1 receipts will be used as required, under the terms of the agreement with Government, as match funding for the delivery of new/ replacement council homes. This income provides the biggest source of match funding for the stock increase programme.

The Local Authority share of Right to Buy receipt will cease funding the Arbourthorne Fields Redevelopment scheme in 2015/16 from which point these resources will be available. Half of this income is allocated to part fund the HRA stock increase programme with the remainder required for other housing purposes. Forecasts of this income will be refreshed in 2015 in line with the new capital finance regulations which are expected to reduce the proportion of this receipt income to the Local Authority.

### ii. Other capital resources

Homes and Communities Agency (HCA) grant to part fund the acquisition by the HRA of long term empty properties to let as council homes has been secured for 2015/16.

Affordable Housing Section 106 income is also assumed to part fund the stock increase programme. This is an estimate of the commuted sums which may (or may not) come through the planning system over the next 5 years, for the purposes of this programme.

Whilst capital resources have been assumed as match funding for the stock increase programme use of some of these resources are subject to the wider Council's capital programme approvals and so will be subject to ongoing future review.

The installation of photovoltaic panels onto the roofs of up 6000 homes is expected to bring around £30m Feed in Tariff and Export Tariff income into the HRA over a 20 year period to offset the initial installation, maintenance and management costs associated with these units.



## 4. HOMES

### a) Overview

This section of the HRA Business Plan is interested in the physical condition and environment of council homes. This section includes the capital investment into homes such as new kitchens, bathrooms and boilers as well as revenue repairs (both planned such as gas servicing and responsive where tenants report a repair).

### b) Risks

#### i. Investment Backlog

The investment backlog is investment to homes which is now due. It is a combination of:

- All elemental work that was not included in the Decent Homes Programme
- All the properties which were omitted and/or refused Decent Homes works
- Elemental work which emerged as the Decent Homes Programme was stretched from 2010 to 2014

<b>Work element</b>	<b>Investment backlog (as at end 2014/15)</b>
<b>Bathrooms, Kitchens, Windows, Doors</b>	£26,000,000
<b>Full &amp; Partial Decent Homes Omissions</b>	£27,913,365
<b>Heating</b>	£15,516,900
<b>Roofs</b>	£96,792,478
<b>Electrics</b>	£16,679,925
<b>Total</b>	<b>£182,902,668</b>

The investment backlog is a key risk because any delay to the work increases the final cost if the delay results in a responsive repair which is more expensive than the same work undertaken through a planned programme. The later the backlog is tackled, the higher the overall cost of the business plan and the greater the risk.

#### ii. Unfunded Items

The number of items not funded in the 30 year investment programme has reduced since 2012 with acquisition/new build and refurbishment of communal areas to low rise flats both now built into the business plan.

The following table sets out those areas which remain partially or fully unfunded at this time and how these might be addressed in future:

<b>Investment area</b>	<b>Proposed approach</b>
Communal areas of maisonettes	£5m factored into the 2019/20 budget. Additional resources to be added to subsequent years budgets subject to availability of resources and outcome of surveying work.
Work to complement Streets Ahead-communal drives,	Work ongoing mapping assets in a number of neighbourhoods which are not included in the Private Finance Initiative (PFI) programme to assess current condition and measure standards.

street lighting etc.	Once this is complete it will be possible to estimate the cost of bringing neighbourhoods up to a standard which is seamless with the Streets Ahead project. A small provision is made in 2019/20 for this work.
Additional environmental works- drying areas, steps, paths, handrails, walls etc.	Some provision has been made in the 5 year programme for basic maintenance but no funding for improvements, remodelling and making better use of space. This is of high importance from a sustainability perspective and to compliment the internal communal area programme. This work has been scoped in 2014/15 with a view to surveys being undertaken alongside/as part of the above Streets Ahead project.
External wall insulation	Current assessments are of a £12m need. £3m has been added in to 2019/20 which takes total budgeted funding to £5m. Balance to be built into subsequent years budgets.
Plastering and Internal Doors	More information is required about plastering need but no major reported issues. Internal doors represent a large investment need (currently unfunded) but a low relative priority.
Non-dwelling assets e.g. community centres	Investment need not is not yet known and links to the charging policy.

### 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. This has now been supplemented by investment in communal areas, which was not previously fully funded in order to improve the sustainability of the Council's low rise flats.

Key Commitments	Update
Addressing 90% existing and emerging <b>heating</b> backlog by March 2017	In 2012/13 and 2013/14 7,019 of the 13,282 obsolete heating systems were replaced. By the end of 2015/16 only around 2,017 obsolete systems will remain, mainly because of problems gaining access to those properties and refusals from tenants. As many of these will be tackled as possible in 2016/17 as well as a further 1,784 ageing, but not obsolete systems which are a part of the backlog.
All higher priority <b>roofs</b> to be addressed by March 2019	The roofing programmes are currently being procured with the contract awarded for flat roofing in September 2014 and pitched roofing in January 2015. The need to spend on roofing has increased as a result of the detailed work undertaken to develop the roofing programmes and has shown additional work is required over the 5 year programme.
<b>Replacement kitchens bathrooms windows and doors</b> for 7,000 of 12,800 homes still needing some work by March 2019	Procurement of the kitchen, bathroom, windows & doors programmes is a key priority for delivery in 2015/16. Decent Homes delivery caused major spikes in expenditure which start to re-occur from around 2025-2034.
Refurbishment of <b>communal areas</b> to all 12,000 low rise flats by March 2019	Programme surveys have been completed to all low rise block types and consultation has been carried out with tenants. The works programme will commence in 2015/16.

<b>Electrical</b> backlog	An electrical strategy is being developed which will inform future investment requirements with anticipation of a works programme beginning in 2015.
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## ii. New Investment Activity 2015/16

- New/ replacement Council Housing

The 2014/15 business plan made a commitment to make full use of the capacity of the HRA to deliver the maximum number of new/ additional council homes possible whilst ensuring that all schemes would be self-financing and so not compromise existing investment priorities or the wider business plan.

The forecast in 2014/15 was for 600 units to be delivered over 6 years. In 2015/16 this target is uplifted to 1,000 new / replacement council homes to have been delivered by 2019/20. This increase is achieved by optimising the availability of match funding for the programme, minimising the amount of match funding per unit and by making a small contribution from capital.

As before, the stock increase programme will continue to include new build development and sites have so far been identified for 83 new Council-built homes which are due to be completed in 2015/16 and 2016/17 and new schemes will be brought forward as sites are identified.

However the focus of the programme will be on acquisition (existing units and new units off plan). This is because acquisition is the most cost effective way of delivering high numbers of new council homes quickly. An acquisition strategy has been developed in 2014/15 which takes account of the findings from the Strategic Housing Market Assessment of 2013 and sets out how properties will be prioritised for purchase together with a target geographical distribution.

One of the key principles underpinning the stock increase programme is that most acquisitions will be where the council has existing homes because these are generally better value for the HRA. All homes purchased on traditional council estates will be let at Social Rent.

Affordable Rent will be used within the programme to fund delivery of homes which are a priority for the Council (e.g. new build, 4 bed + properties) but which cannot be delivered viably at social rent. Affordable Rent will also be used where the Homes and Communities Agency specifies this as part of their grant funding agreement.

The impact of these principles on the geographical targets set out in the acquisition strategy will be kept under review.

One of the key limitations to the stock increase programme is the availability of match funding to offset the need to borrow. Whilst capital resources have been assumed as match funding for the stock increase programme use of some of these resources are subject to the wider Council's capital programme approvals and so will be subject to ongoing future review.

- Garage Investment

The garage stock has suffered from a lack of investment over the years with dwellings being a higher priority for investment than garages. The majority of garages and sites have not benefitted from a programme of major works and responsive repairs have been significantly curtailed. Many garages are in a state of disrepair, they are aesthetically poor due to a lack of decoration and a significant proportion have asbestos roof sheets which if damaged means garages cannot be let .

The impact of this lack of investment has led to a lack of demand and in turn to the garages becoming run down and a magnet for anti-social behaviour. Vacant garage numbers have increased considerably over the last few years and this has impacted on the amount of rent collected and the HRA business plan.

The proposed strategy is to invest only in those garages where income exceeds expenditure over a 15 year period. New investment of £3.3m is proposed over a 4 year period and this would be made in 3,402 garages. 1,291 garages and garages sites are not sustainable and it is proposed that these garages are demolished.

Implementation of the strategy, including capital investment costs and frozen rents, is forecast to be financially beneficial to the HRA compared with the 'do nothing' option after only 7 years. After this the strategy delivers increasing financial benefits.

- Photovoltaics (PVs) / Solar Panels on Roofs

Photovoltaics (PV) or Solar Panels are a method of generating electricity via sunlight. It is intended that up to 6,000 photovoltaic panels will be fitted to the roofs of council dwellings in the coming years to benefit householders by providing some free energy for their homes and to benefit the local economy by bringing investment into the City.

The benefit of installing PV panels would be an average increase of around £200/ year or £4/ week in the spending power of each affected household, for the 20 years that the panels attract subsidy payments. This amounts to over £1m additional disposable income per year which is then likely to be spent within the local economy.

The scheme would create or safeguard around 250 jobs, would result in more than a doubling in the domestic use of PV in the City and would see the financial benefits of PV, which are subsidised by all energy payers, accessed by Council tenants too. The proposal is expected to result in a 32% reduction in carbon emissions per household and a reduction in the City's CO2 production of around 9,000 tonnes per year.

The installation of PV would be undertaken as part of the Council Housing roofing contract which is due to commence in 2015. The anticipated cost of installation plus all subsequent management and maintenance is expected to be offset in full by more than £30m energy subsidy income into the City via the HRA. This subsidy, in the form of Feed in and Export Tariff, is made available to

incentivise the uptake of renewable energy initiatives. In order to assure the viability of the scheme it would be necessary to safeguard this funding to the HRA even in the event of homes with PV being bought under Right to Buy.

Upon final approval of the PV business case a property list would be drawn up in consultation with the District (energy) Network Operator (DNO) identifying suitable properties ordered in accordance with the scheduling of the roofing programme and where possible prioritising properties with the lowest energy performance. Subject to agreement by the tenant and a final assessment by the installer, works would then be scheduled to take place as part of the roofing programme. The number of panels possible and the homes with these panels would depend on how quickly the programme is able to get underway.

The performance of this scheme will need to be continually monitored to ensure that it continues to be a viable concern for the HRA with provision in place to end the installation process early should conditions change adversely.

#### **d) Other Developments**

##### i. Regeneration

Phase 3a of the Arbourthorne Fields redevelopment scheme was declared in August 2014 with phases 3b and 3c anticipated to be declared in April 2015 and January 2016 respectively.

As part of the Scowerdons, Weakland and Newstead (SWaN) scheme, 315 new build homes were completed in August 2014 with all existing households at SWaN rehoused, satisfying the commitment made in the SWaN Residents' Charter.

On 17<sup>th</sup> September 2014, Cabinet agreed for the Development Agreement between Sheffield City Council and Home Group to be terminated at No Fault. The decision was made as the agreement was no longer fit for purpose, and any future development under the Agreement would not be financially beneficial for either party. The termination allows the Council to find alternative options for the redevelopment of the remaining land.

##### ii. Responsive Repairs

The responsive repairs budget underspent in 2013/14 largely due to a mild winter and the impacts of the extensive boiler replacement programme. Void property repairs overspent against profile due to higher volumes and expected repairs costs. The 2014-17 repairs budget now has the 2% procurement efficiencies built in. Future budgets will be subject to continual review in the coming years as the reduction in the investment backlog serves to reduce repair volumes overall.

##### iii. Community Heat Metering

The community heat metering rollout commenced in 2014/15 with meters being fitted and installed from June 2014.

## e) Financial Summary

The table below sets out the proposed indicative capital programme over the 5 years of the business plan. It adds a new Year 5 resource allocation and provides a total 5 year costs against each aspect of the programme. The 2014/15 column shows the anticipated outturn.

<i>HRA Programme</i>	<i>2014/15 Outturn</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>Total 2015- 2016</i>
Essential investment work (health & safety, etc)	2.607	3.591	2.477	1.531	0.737	0.637	<b>8.973</b>
Adaptations & Access	2.141	1.863	2.047	2.116	2.212	2.200	<b>10.438</b>
Regeneration	2.778	2.689	0.952	0.000	0.000	0.000	<b>3.641</b>
Garages	0.000	1.144	1.172	1.202	0.000	0.000	<b>3.518</b>
Photovoltaics (PV)	0.000	3.684	4.218	3.870	4.432	4.066	<b>20.270</b>
Waste	0.000	1.094	1.068	1.082	0.000	0.000	<b>3.244</b>
Community Heating	0.639	1.571	0.920	1.042	0.000	1.200	<b>4.733</b>
Area Investment Environmentals	2.365	1.632	0.000	0.000	0.000	0.000	<b>1.632</b>
Heating & Insulation	7.726	9.302	11.027	6.086	6.255	8.000	<b>40.670</b>
Roofs & externals	7.944	23.212	30.480	29.188	26.674	18.200	<b>127.754</b>
Communal areas investment	0.025	4.615	4.508	4.600	3.220	5.000	<b>21.943</b>
Additional Communal areas investment	0.000	0.200	0.200	0.200	0.200	0.200	<b>1.000</b>
Electrics	0.000	0.922	4.600	5.520	6.440	9.000	<b>26.482</b>
Kitchens, Windows, Bathrooms & Doors	0.025	6.347	9.223	8.480	7.332	6.560	<b>37.942</b>
Other planned elementals	0.000	0.000	0.368	0.000	0.000	4.250	<b>4.618</b>
Programme Management	0.261	3.373	3.373	3.373	3.373	2.990	<b>16.482</b>
<b>Sub-Total Core Investment Programme</b>	<b>26.511</b>	<b>65.238</b>	<b>76.633</b>	<b>68.290</b>	<b>60.876</b>	<b>62.303</b>	<b>333.341</b>
New Build and Acquisitions	6.159	20.889	21.961	17.918	17.114	17.114	94.997
<b>Overall Total HRA Programme</b>	<b>32.671</b>	<b>86.128</b>	<b>98.594</b>	<b>86.208</b>	<b>77.991</b>	<b>79.417</b>	<b>428.338</b>

The following table shows the budget profile for the responsive repairs service. Year 2014/15 is the anticipated outturn, 2014/15 is the anticipated outturn and 2017/18 onwards anticipated budgets.

<i>Revenue repairs</i>	<i>2014/15 Outturn</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>Total 2015- 2016</i>
Revenue repairs	35.3	31.5	31.6	35.2	36.1	36.8	<b>171.3</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, estate services and governance and involvement.

### **b) Risks**

The impact of Welfare Reform on tenant services continues to be a key risk; therefore the response of tenant services to this risk continues to be a high priority for the business plan in 2015/16.

From 2015/16 the significant organisational restructure which will be required to implement Housing Plus and accommodate the Housing Related Support reductions will also represent a risk to the service. This is in addition to an expected review of the Estate Services structure in 2015/16.

### **c) Key Developments**

#### i. Ensure All Income Owed is Collected

A key priority for the business plan has been to provide support to tenants affected by welfare reform and mitigate the impact of welfare reform on the business plan.

In 2013/14 the Income Management Unit (IMU) budget was increased by £266k in order to increase the capacity of the team to support tenants affected by Welfare Reform and help to mitigate the impacts of Welfare Reform on the business plan.

In 2014/15 the budget was increased again by over £600k, most of which was due to an increase in the size of the Hardship Fund by £450k and the staffing budget by £110k. However, it is now proposed that only £150k/annum Hardship Fund will be required in 2014/15 and 2015/16 such that the remaining budget can be rolled forward to future years to coincide with the introduction of Universal Credit and when the availability of Discretionary Housing Payments (DHPs) is likely to reduce.

Some of the additional activity being funded through this budget increase has included:

- Additional staff facilitating 8,745 visits in 2013/14 to tenants affected by Welfare Reform and offering advice and support on a variety of issues including rehousing. In 2014/15, the number of visits facilitated by staff have reduced as the emphasis has shifted to the increase in the use of drop in surgeries for tenants to attend if they wish to receive help and support.
- Supporting of applications for 4,872 DHPs amounting to £871k income into the HRA in 2013/14. The number of DHPs awarded in 2014/15 as at the end of October is 1,935 which has amounted to £508k income into the HRA.

- Working with volunteers from Heeley Development Trust to contact 1,211 tenants and offer them training/advice on using computers so they are able to access benefits online.
- A debt advice worker benefiting around 122 tenants each year and in doing so almost pays for itself in reduced arrears.
- Physical support via a 'man and van' service to help tenants moving house due to under-occupying
- A £50k Hardship Fund which was allocated in full in 2013/14 to support 136 tenants to sustain their tenancies. This resulted in an estimated saving to the HRA of at least £121k.
- Funding to enable two extra direct debt payment dates and promotional campaigns to improve take-up.
- In June 2014, 27 tenants were set up with budgeting accounts and this number is expected to increase as government funding for DHPs reduces.

The re-profiling of the Hardship Fund into future years when it is likely to be needed more, as well as a slower than anticipated recruitment to additional staffing posts is likely to contribute to an underspend on this budget in 2014/15.

## ii. Make Best Use of Homes

The original business plan in 2012 made a commitment to make the re-housing process more effective and efficient by reviewing the Lettings Policy and introducing a new ICT system for the bidding process.

The Lettings Policy review concluded in 2012/13 with the new policy given Cabinet approval in March 2013. Implementation of the Lettings Policy began in April 2014 and is due to complete by October 2015. A project budget of £115k is proposed for 2015/16 and expected efficiencies (£50k/annum) relating to vacant rent loss as a result of the Lettings Policy implementation have been applied to the 2015/16 budget.

The Choice Based Lettings (CBL) system has now been implemented and has been in operation since October 2013. The projected annual savings resulting from the CBL system are as follows:

Vacant Management costs	£ 50k
Rent Loss	£ 50k
Rehousing costs	£100k

Annual savings from vacant management have been built into budgets and realised through reductions in advertising costs. Rent loss however increased in 2013/14, in spite of CBL, primarily because of weakened demand for some property types linked to Welfare Reform.

Benefits to the rehousing service are beginning to be realised in terms of increased self-service, reduced calls to request bids and reduction in refusals. Rehousing cost savings will be realised as part of the wider housing service restructure in 2015/16.



### iii. Housing Plus

The original 2012 business plan included an ambition to improve the sustainability of tenancies over the long term by linking up support services to more effectively prevent tenancies failing with an annual net saving of £250k targeted as a result. Since then this project has been used to trial three 'Joined-Up Services' pilots which in turn have informed the development of a 'Housing Plus' model of housing management.

This 'Successful Tenancies' project ended in June 2014, with an exit strategy agreed to ensure that tenants supported as part of the pilots continue to receive the support they need for as long as they need it. The costs and savings anticipated by this project are now subsumed within Housing Plus.

Housing Plus proposals were approved by Cabinet in March 2014. The anticipated costs and benefits of Housing Plus are as follows:

H+	2014/15	2015/16	2016/17	2017/18	2018/19 onwards
Costs (£k)	£ 407,192	£ 1,522,176	£ 965,276	£ 421,600	£ 421,600
Savings (£k)	£ -	£ 283,714	£ 435,167	£ 842,319	£ 929,577
Net (£k)	£ 407,192	£ 1,238,462	£ 530,109	-£ 420,719	-£ 507,977

The baseline position that these costs and benefits compare with are the staffing costs associated with the Council Housing Service as they were budgeted to be.

Costs in 2014/15 and 2015/16 include project, implementation, ICT, training, recruitment and equipment costs. The residual long term revenue cost of Housing Plus (estimated to be around £422k/annum) is the anticipated cost of technology to facilitate mobile working.

The anticipated £930k/annum savings break down as follows:

Vacant repairs	£309k	Reduced turnover of vacant properties
Responsive repairs	£ 66k	Reduced turnover of vacant properties
Non-staff costs	£ 43k	Reduced turnover of vacant properties
Staffing costs	£237k	Reduced turnover & face to face enquiries
Rent arrears	£172k	Proactive rent collection work with tenants
Accommodation	£102k	Office consolidation

A citywide roll out of the new way of working, planned from June 2015, will involve a wholesale restructure of the Housing and Neighbourhoods Service to ensure the whole service is designed to support delivery of Housing Plus. The transition to a new organisational structure is likely to result in a temporary increase in staffing costs up to 2016/17 but these will not be known until the restructure is complete.

The High Support service is an intensive family intervention project which supports whole families who are at risk of losing their home for causing antisocial behaviour. Income reduced in 2014/15 and will continue to do so in 2015/16 for the High Support Service as a result of the Housing Related Support reductions.

This will continue to be accommodated in the short term by efficiency savings and a contribution from the HRA. A review began in 2014/15 to agree a funding model from 2016/17.

#### iv. Attractive Neighbourhoods

- Green Open Space Management

Savings of £220k on the cost of the service level agreement with Parks to provide open space maintenance and of £80k on the cost of Housing Estate Officers undertaking green space maintenance have been targeted since the original business plan in 2012.

In October 2013, the Clean Attractive Neighbourhoods service design group delivered its vision statement for a value for money service with improved monitoring and a joined up, collaborative approach to green space maintenance.

In October 2014, Cabinet approved the integration of the grounds maintenance provision by Estate Officers in Council Housing Services into the Parks and Public Realm service, and a review of the delivery of grounds maintenance in order to improve the quality of service delivery, maintain standards and provide financial savings.

This integration will offer the opportunity to deliver around £37k HRA plus £5k General Fund savings for Council Housing (compared with the £80k targeted in the business plan) from better efficiency from vehicles, green waste and tipping, plus increased management capacity for the housing service pending the introduction of Housing Plus. Savings of £150k are profiled into the business plan in future years in anticipation of further efficiencies emerging through the consolidation of the new service.

- Estate Services Review

This business plan initiative began as an incentive to tackle the high cost of fly tipping through investment in education and enforcement measures funded by savings released from the cost of bulky refuse collection.

It has since broadened into a wider review of how estates can be more efficiently kept tidy involving a number of initiatives including:-

- Delivering savings from bulky waste to fund education and enforcement initiatives
- Reducing the number of incidences and high cost of fly tipping via education and enforcement
- Investment into waste facilities to reduce the number of incidences and high cost of chute clearances
- Improving the safety of dry stores and delivering efficiencies by linking with the bulky waste initiative and new waste recycling facilities

As a result of the initiatives set out above savings were targeted from tipping costs and staff time. Savings were made on tipping in 2013/14 but landfill charge increases made further savings difficult to achieve in 2014/15. A landfill charge

increase has been factored into the 2015/16 budget and it is proposed to delay the planned 2015/16 and 2016/17 savings by 12 months in order that the education and enforcement activity has time to impact.

No staffing savings have yet to be realised as a result of fly tipping. These savings (target £225k by 2016/17) will be considered as part of a future Estate Service restructure. Savings may partially be offset by an investment in block cleaners by £150k as per original business plan proposals.

#### v. Going Local

Currently the overall Going Local budget which is allocated across the different housing areas is £400k. This is made up of £200k set aside for investment for communal areas and £200k for local discretion. This budget is in addition to a £42k area consultative budget which is also allocated across the different housing areas.

The 2014/15 business plan made a commitment to review Going Local. The purpose of the Going Local review is to:

1. Retain local discretion to fund activity which is important locally
2. Improve value for money by channelling works through major contracts
3. Improve speed of purchasing by having more clearly defined budgets

The proposal is:

4. The £200k Going Local budget already reserved for communal areas is transferred to the investment programme
5. A new Enhanced Maintenance Allowance of £70k is devolved from the repairs budget to local area teams to allocate works which are important locally
6. A Community Fund of £170k is allocated to local area teams to replace the consultative budget and Going Local and to quickly and simply fund local priorities which do not require a procurement

The proposal ensures that overall; the amount of money available to each housing area is maintained.

#### **d) Other Updates**

##### i. Digital Inclusion

In 2013/14 the Digital Boost project was established which is a collaborative project between the Council's Income Management Unit, Adult Social Care, GP Services and Heeley Development Trust and includes a mobile Digital Outreach Service which works intensively with whole households identified as digitally and financially excluded. The project to date has identified over 1,200 tenants across the city who are digitally excluded and require support.

In 2014/15 the allocated budget of £51k for digital inclusion (£45k budget + £6k carry forward from 2013/14) includes £11k towards the Digital Boost project and £40k for Council Housing Service (CHS) interventions. The interventions will be

based on the Council Housing Service Digital Inclusion action plan which identifies key work streams.

## ii. Training and Employability Scheme

The City Stewardship programme ended when the Construction and Building Services Contract ended in April 2014. Since April interim arrangements have been established to cover the work elements that were previously provided by the City Stewardship (e.g. painting, fencing, green work and other associated works) and work has been undertaken to develop new training and employment opportunities within housing including training and apprenticeships, traineeship work and work experience. These schemes will bring new talent into the housing service and support young people to achieve the qualifications they need to begin a successful career in housing.

## e) Financial Summary

The tables below set out the profiled investment and savings for tenant services during the next 5 years of the business plan along with the 2013/14 outturn and the anticipated outturn for 2014/15.

<b>Income Management 49362</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Additional Staff (2012)</b>							
Total Rent Arrears Mitigation & Savings	+140,000	-	-	-	-	-	-
<b>Additional Staff (2014)</b>							
Total Investment & Savings	+155,000	+110,000	-46,000	-	-	-	-
<b>Debt Advice Worker .8460</b>							
Total Investment & Savings	-	-	+5,000	+5,000	+5,000	+5,000	+5,000
<b>Visiting Affected Tenants</b>							
Total Investment & Savings	-90,000	-	-	-	-	-	-
<b>Training on Welfare Benefits</b>							
Total Investment & Savings	+5,000	-4,000	-	-	-	-	-
<b>Jam Jar Accounts .9120</b>							
Total Investment & Savings	-	+21,000	-11,000	+10,000	+10,000	+5,000	+4,000
<b>Direct Debit</b>							
Total Investment & Savings	-	+25,000	-25,000	+25,000	-	-	-
<b>Hardship fund - 8560.PROJECT</b>							
Total Investment & Savings	+50,000	+100,000	-	+100,000	+200,000	-400,000	-
<b>Texting .9120</b>							
Total Investment & Savings		+20,000	-10,000	-	-	-	-
<b>Total Income Management</b>							
Total Investment & Savings	+260,000	+272,000	-87,000	+140,000	+215,000	-390,000	+9,000
Outturn (actual spend until this year)	3,238,918	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	3,216,219	-	-	-	-	-

<b>Supporting Housing</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>BU 49364</b>							
Total (Support for Underoccupiers)	+13,000	-22,000	+5,000	+2,000	-	-	-
Outturn (actual spend until this year)	2,214,016	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	2,259,097	-	-	-	-	-

<b>Lettings Policy Review</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>BU 49504</b>							
Total Increases to budget & Reductions to budget	-185,000	-	-	-	-	-	-
Outturn (actual spend until this year)	4,451	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	-	-	-	-	-	-

<b>Lettings Policy Implementation</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>BU 49398</b>							
Total Increases to budget & Reductions to budget	+140,000	+80,000	-105,000	-115,000	-	-	-
Outturn (actual spend until this year)	zero	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	200,000	-	-	-	-	-

<b>CBL Implementation Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>BU 49392</b>							
Total Increases to budget & Reductions to budget	-25,000	-75,000	-	-	-	-	-
Outturn (actual spend until this year)	621,286	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	-	-	-	-	-	-

<b>Successful Tenancies Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>BU 49392.TENSUST in 13/14, BU 49503 in 14/15</b>							
Total Investment & Saving	+140,000	+160,000	-16,000	-	-	-	-
Outturn (actual spend until this year)	48,573	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	30,000	-	-	-	-	-

<b>Housing+</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>BU 49503</b>							
Total Investment	-	+334,000	+1,474,344	-843,068	-543,676	-	-
Outturn (actual spend until this year)	-	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	407,192	-	-	-	-	-

<b>Vacants Management</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>BU 49379</b>							
Savings: H+ non-staff savings (Admin costs)	-	-	-1,636	-327	-2,945	-	-
Savings: H+ non-staff savings (B&Q vouchers)	-	-	-3,938	-788	-7,089	-	-
CBL Vacant Management Efficiencies	-18,000	-32,000	-	-	-	-	-
Outturn (actual spend until this year)	1,711,130	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	1,666,875	-	-	-	-	-

<b>Rehousing</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Housing+ non-staffing saving BU 49360</b>							
Total Non-staff cost savings (turnover): Admin	-	-	-4,372	-874	-7,870	-	-
Outturn (actual spend until this year)	998,962	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	1,112,653	-	-	-	-	-

<b>Vacant Rent Loss (excl. Temp Accom)</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>BU 49202.6300.DWELL</b>							
Housing Plus Implementation	-	-	+220,000	-220,000	-	-	-
Lettings Policy Efficiencies	-	-	-21,000	-29,000	-	-	-
CBL Rent Loss Efficiencies (25% total CBL Eff)	-17,000	-33,000	-	-	-	-	-
Initiatives - total impact	-17,000	-33,000	+199,000	-249,000	-	-	-
Outturn (actual spend until this year)	2,211,967	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	2,100,001	-	-	-	-	-

<b>Staff savings from new service (against baseline)</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Staff Savings from Restructure</b>							
CBL Rehousing Efficiencies	-	-	-100,000	-	-	-	-
Housing+ Staff (Turnover)	-	-	-24,203	-4,841	-43,565	-	-
Housing+ Face-to-face Enquiries	-	-	-	-123,795	-41,265	-	-
Total	-	-	-124,203	-128,636	-84,830	-	-
<b>Cumulative savings to roll forward</b>	-	-	<b>124,203</b>	<b>252,838</b>	<b>337,668</b>	<b>337,668</b>	<b>337,668</b>

<b>Tenant Services - Green Open Space</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Open Space SLA - BU 49356.6360.INTERNAL</b>							
Total Savings	-	-	-	-50,000	-50,000	-50,000	-
Outturn (actual spend until this year)	1,948,784	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	1,840,216	-	-	-	-	-
<b>Estate and Environmental Service Costs</b>							
Total Savings from new integrated service	-	-	-42,000	-	-	-	-
<b>Cleared Sites</b>							
Total Savings	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000
Outturn (actual spend until this year)	304,954	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	250,000	-	-	-	-	-

<b>Estate and Environmental Services (49356)</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Bulky Waste - 49356.6090.BULKY</b>							
Total Savings	-	-45,000	-55,000	-	-	-	-
Outturn (actual spend until this year)	97,500	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	139,300	-	-	-	-	-
<b>Dry Stores - 49356.6090.DRY</b>							
Total Savings	-	-54,000	-50,000	-	-	-	-
Outturn (actual spend until this year)	178,013	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	165,610	-	-	-	-	-
<b>Education and Enforcement - 49356.6370</b>							
Total Investment & Savings	+5,000	-50,000	-	-	-	-	-
Outturn (actual spend until this year)	70,940	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	48,602	-	-	-	-	-
<b>Tipping Charges - 49356.6090.TIPPING</b>							
Total Pressure (Landfill charge) & Savings	-39,000	-38,000	+27,000	-36,000	-36,000	-	-
Outturn (actual spend until this year)	334,425	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	333,023	-	-	-	-	-
<b>Estate and Environmental Services Team Savings Requirements</b>							
Total Block Cleaning Investment & Flytipping Savings	-52,000	-50,000	+1,000	-23,000	+25,000	+50,000	-

<b>Going Local (Community Fund from 15/16)</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Main .8560.GOLOCAL</b>							
Total adjustments to creat Community Fund	-	-	-228,000	-	-	-	-
Outturn (actual spend until this year)	-	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	-	-	-	-	-	-
<b>Consultative Budget .8560.CONSLT</b>							
Transfer to Community Fund	-	-	-42,000	-	-	-	-
Outturn (actual spend until this year)	-	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	-	-	-	-	-	-

<b>Tenant Services - Other</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Digital Inclusion - BU 49392</b>							
Total Investment	-	+15,000	-	-	-	-	-
Outturn (actual spend until this year)	24,021	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	20,331	-	-	-	-	-
<b>Training and Employment - BU 49212</b>							
Total Investment	-	-	-	-	-	-	-
Outturn (actual spend until this year)	-	-	-	-	-	-	-
Forecast outturn (for this year and future years)	-	696,572	-	-	-	-	-

## **6. DEBT AND TREASURY MANAGEMENT**

### **a) Overview**

This section of the HRA Business Plan is interested in how the risks and opportunities associated with borrowing are opportunities associated with borrowing are optimised for the benefit of the HRA.

### **b) Risk**

The HRA currently supports a Capital Financing Requirement of £346m of which around 38% 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 the opportunities arise. The Council ensures the loan portfolio is regularly reviewed to achieve optimum value for money, in balance with business priorities that exist at the time.

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.

### **c) Key Developments**

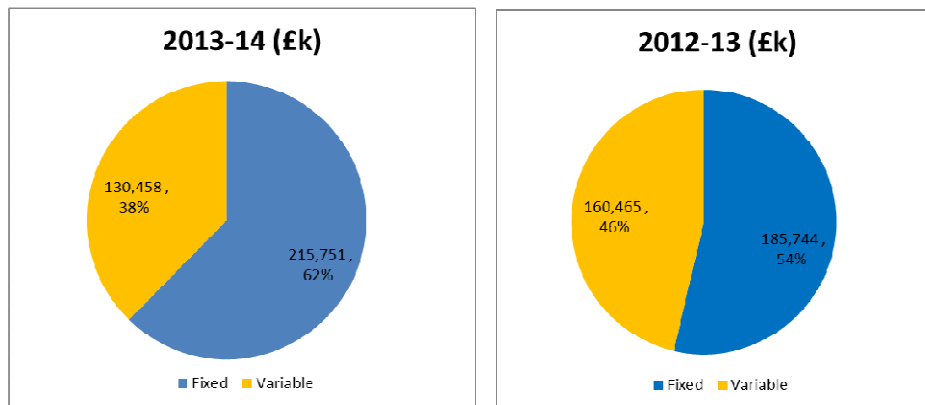
#### i. Loan Portfolio

At the start of 'self-financing' the HRA had a significant amount of internal borrowing (£122m) which is the Council's use of cash reserves to finance capital expenditure instead of borrowing.

During 2012/13 around £49m of this internal borrowing was externalised in order to mitigate interest rate risk and bring more cost certainty to the loan portfolio.

In 2013/14 the externalisation of debt was slowed down in order that the HRA could continue to take advantage of historically low borrowing costs at a time when the Authority as a whole had relatively high cash balances. During the course of the year around £37m of low cost fixed-rate loans were taken out to allow the HRA to repay the General Fund for cash it had borrowed internally.

In 2014/15 the internal borrowing position is now limited to the borrowing by the HRA from the HRA's own cash reserves (capital reserve, risk based reserve).



The above charts show that as a result of the externalisation of debt, the amount of the HRA's loan portfolio at risk from interest rate increases has continued to reduce; from 46% in 2012-13 to 38% (and from 59% in 2011-12).

At the end of 2013/14 the HRA's own cash reserves had increased by around £20m on the prior year and will continue to grow further during 2014/15 before they are required to fund the capital programme in 2015/16 and 2016/17.

Because the HRA has more of its own cash it has a smaller requirement for loans. This saves the HRA costs it would otherwise incur on interest payments, but only represents a temporary position. In future years, when the HRA will need its reserves it will need to replenish the cash through additional loans, either externally or from the General Fund if the overall position of the authority makes this possible.

## ii. Borrowing Capacity

As the Business Plan's commitment to the delivery of new/ replacement council homes in the coming years becomes more established the capacity of the HRA to borrow over the medium term is becoming increasingly important.

At present the HRA Business Plan is restricted in its borrowing by a debt cap imposed by Government which leaves around £40m borrowing headroom. However, even if the debt cap is lifted by Government, the HRA like any organisation would still be limited by the sheer amount of borrowing (gearing) the business can sustain. That level of borrowing will be determined by the value of the business and its commitments.

The recent reinvigoration of the Right to Buy policy has seen an increase in the actual and forecast number of property sales and a corresponding reduction in the forecasted value of the 'business'. The use of the 'Allowable Debt' element of the Right to Buy receipt to pay down HRA borrowing to compensate the HRA for this lost income, or to offset future borrowing for viable stock increase schemes, will ensure Right to Buy losses can be sustained in the future. This improves the long term viability of the plan and generates additional borrowing headroom under the debt cap for stock increase purposes.

Another approach which will result in increased borrowing capacity for stock increase over the long term is to review our assumptions regarding newly maturing debt. The HRA Business Plan set out in 2013/14 how work was being



undertaken to develop the Council's approach for mitigating interest rate risk in the business plan. The approach taken to date has been to build the financial capacity into the plan to repay debt over the 30 years of the plan; the premise being that if the plan has the capacity to repay debt over 30 years then any refinancing decisions over the 30 years will be the Council's to make. However, this approach sees the financial capacity to repay debt built into the plan only in the later years as financial resources in the early years are prioritised on the maintenance backlog.

A more robust approach to mitigating interest rate risk is to set aside an amount of money each year for the repayment of debt in line with the business plan's actual debt maturity profile (the dates when debt matures and becomes repayable). Although 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, it is recognised that this approach would offer significant benefits including

- 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

In 2013/14 it was agreed that any new borrowing undertaken by the HRA would be undertaken in line with this more robust approach and would therefore have a repayment plan. It is now proposed that with *existing loans* a transition to this approach is undertaken over the medium term where this has no impact on the plan's ability to deliver existing commitments.

### iii. Treasury Management Strategy

In order to accommodate the revised business plan targets, including the commitment to increase stock numbers investment programme, the HRA will need to borrow but it will be a question of when this borrowing is taken and at what rate. These decisions are shaped by three key considerations:

1. The interest rate environment - Some of the fundamentals that led to the historically low borrowing costs have not gone away and, whilst the markets remain volatile and borrowing rates look to be on the rise generally, opportunities could still avail themselves to allow the HRA to take advantage of relatively cheap borrowing.
2. The HRA's cash requirements - The HRA currently has sufficient reserves to cover the 2014/15 capital programme so should look to take on fixed-rate loans to resource the new capital investment plans, replace internal borrowing and, where necessary, refinance maturing loans for the much larger capital programme starting in 2015/16.
3. Affordability - As HRA reserves are used to fund the capital programme, internal borrowing will need to be replaced by external debt which will have

the effect of increasing financing costs overall. The business plan currently provides sufficient budget capacity should the need to borrow arise.

The HRA Treasury Management strategy for the coming months is therefore to defer taking on debt while the level of reserves are sufficient to cover the level of internal borrowing but maintain flexibility to externalise debt should the interest position change significantly.

Debt will be taken on with slightly longer maturities in the short term whilst rates remain relatively low and switch to shorter maturities when rates rise further. Shorter maturities are generally cheaper than longer ones and should maintain the overall financing costs within affordable levels.

## 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 are that the efficiency targets built into the plan are not realised or are offset by the emergence of unplanned cost pressures.

### c) Key Developments

#### i. Business Plan Efficiencies

The 2012 HRA Business Plan set a target to achieve efficiency savings in 2012/13 and beyond on the 'support costs' of Sheffield Homes and the Council. The target was for annual savings of £784k from Sheffield Homes and of £619k from the City Council by 2015/16.

By 2013/14 at least £800k/annum has been saved from the Council Housing Service support functions compared with a target of £784k. For non-Council Housing Service support costs, spend in 2013/14 was £917k less than the 2012/13 budget which is comfortably more than the £619k savings target. These savings have therefore now been achieved.

#### 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.

To date around £650k/annum savings have been made from senior management costs as a result of the integration of the ALMO with the Council and around £450k/annum of back office savings are secured. The remaining savings will be pursued in 2015/16.

#### iii. Repairs and Maintenance Contract

An original business plan priority is for a value for money repairs and maintenance service ready for 2014: "*The HRA Business Plan assumes an efficiency saving of 2% (£665k) on the repairs and maintenance service post 2014 but this is dependent on the procurement*". The business plan at that time was forecasting a repairs budget of £101.9m from the 3 years 2014/15 – 2016/17 taking account of inflation.

In April 2014 the new 3 year repairs contract with Kier Services got underway. The budget for the first year of that contract was set at £37.0m in the 2014/15 business plan update. Budgets for years 2-3 were still to be finalised at that time.

In order that the required savings of £665k/ annum are realised over the 3 years of the contract, the total revenue repairs budgets for 2015/16 and 2016/17 is capped at a total of £ £63m. The £150k/annum savings required from the vacant and responsive repairs budgets in these two years as a result of Housing Plus implementation then reduces this envelope further.

Further savings will be sought from the repairs budget in future years as a consequence of the ongoing investment in boilers and roofs, and from the kitchen and bathroom investment which is now being made to vacant properties not meeting the Sheffield standard.

The Council is now reviewing options for the repairs service in the long term with a Cabinet steer expected in the summer 2015.

#### iv. Capital delivery

The Housing Investment Programme must retain sufficient flexibility to accommodate potential delays to works resulting from the need to engage tenants and leaseholders and to agree scheme requirements and implementation plans. Where the timetable for a scheme does slip it is important that the programme is still able to apply available resources on investment priorities for the benefit of tenants. To achieve this the Council requires flexible contractor arrangements which are able to respond quickly to changes in demand by diverting resources to where they are needed. This is intended to improve the speed with which HRA resources are applied for the benefit of tenants and will be managed where necessary by delaying less urgent works between years.

#### v. Cost Pressures

In line with last year's assessment, an additional £0.5m will be set aside in 2015/16 to fund the Council Housing Service's exposure to insurance liabilities. This budget is then expected to reduce in 2016/17.

A £0.8m budget provision is made in 2015/16 for the refurbishment of office space to support to the overall office accommodation consolidation strategy.

## Appendix B

<b>Revenue Account</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2015-20</b>
	<i>Outturn £m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>Total £m</i>
<b>INCOME (in £millions)</b>							
Net income dwellings	(146.9)	(149.4)	(152.2)	(155.0)	(162.1)	(167.4)	(768.1)
Other income	(6.5)	(6.8)	(6.8)	(7.2)	(7.8)	(8.3)	(36.9)
<b>Total</b>	<b>(153.4)</b>	<b>(156.2)</b>	<b>(159.0)</b>	<b>(162.2)</b>	<b>(169.9)</b>	<b>(175.7)</b>	<b>(823.0)</b>
<b>EXPENDITURE (in £millions)</b>							
Repairs and maintenance	35.3	31.5	31.6	35.2	36.1	36.8	<b>171.2</b>
Depreciation- Capital Programme funding	38.0	39.0	39.8	40.7	41.6	42.7	<b>203.8</b>
Tenant Services	53.0	59.5	56.4	57.2	57.3	58.2	<b>288.6</b>
Interest and repayment on borrowing	15.0	15.1	17.0	17.3	18.0	17.8	<b>85.2</b>
<b>Total</b>	<b>141.3</b>	<b>145.1</b>	<b>144.8</b>	<b>150.4</b>	<b>153.0</b>	<b>155.5</b>	<b>748.8</b>
Surplus(-) /Deficit in year	(12.1)	(11.1)	(14.2)	(11.8)	(16.9)	(20.2)	<b>(74.2)</b>
Opening Revenue Reserve	(10.8)	(10.0)	(8.8)	(8.3)	(7.9)	(7.7)	
Surplus(-) /Deficit in year	(12.1)	(11.1)	(14.2)	(11.8)	(16.9)	(20.2)	<b>(74.2)</b>
Transfer to Capital Reserves	12.9	12.3	14.7	12.2	17.1	20.2	<b>76.5</b>
Closing Revenue Reserve	(10.0)	(8.8)	(8.3)	(7.9)	(7.7)	(7.7)	

All totals are subject to roundings

## Appendix C

<b>Capital Account</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2015-20</b>
	<i>Outturn £m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>Total £m</i>
<b>EXPENDITURE (In £millions)</b>							
Total	32.7	86.1	98.6	86.2	78.0	79.4	428.3
<b>FUNDED BY (In £millions)</b>							
Capital / Major Repairs Reserve	(27.3)	(74.1)	(87.4)	(68.2)	(58.9)	(63.7)	<b>(352.3)</b>
RTB Capital Receipts	(4.8)	(9.7)	(9.7)	(5.3)	(3.3)	(2.1)	<b>(30.1)</b>
Other Capital Contributions	(0.5)	(2.3)	(1.5)	(1.0)	(0.2)	(0.4)	<b>(5.4)</b>
Additional Borrowing	0.0	0.0	0.0	(11.7)	(15.6)	(13.2)	<b>(40.5)</b>
<b>Total Funding</b>	<b>(32.7)</b>	<b>(86.1)</b>	<b>(98.6)</b>	<b>(86.2)</b>	<b>(78.0)</b>	<b>(79.4)</b>	<b>(428.3)</b>

All totals are subject to roundings

## City Wide average weekly rent by bedsize

Bedsize	Average weekly rent		Increase	
	2014/15	2015/16		
Bedsit	£57.89	£59.16	£1.27	2.2%
1 bed	£65.75	£67.20	£1.45	2.2%
2 bed	£74.84	£76.49	£1.65	2.2%
3 bed	£83.83	£85.67	£1.84	2.2%
4 bed	£90.82	£92.82	£2.00	2.2%
Total (all bedrooms average)	£74.33	£75.97	£1.64	2.2%

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 2015

1. Unmetered Heat

Bedsize	Full heating		Partial heating	
	Current Prices £/week	Prices April 2015 £/week	Current Prices £/week	Prices April 2015 £/week
<b>Heating &amp; hot water</b>				
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
<b>Heating only</b>				
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

	Charge		Prices from April 15	
	Unit charge	Standing charge		
<b>Existing schemes</b>				
<b>Leverton/ Hanover/ Netherthorpe</b>	Unit charge	pence per kwh	4.38	(i.e 100 kwh heat ticket is £4.38)
	Standing charge	£ per week	3.68	
<b>Hillside</b>	Unit charge	pence per kwh	3.04	(i.e 100 kwh heat ticket is £3.04)
	Standing charge	£ per week	3.14	
<b>Balfour House</b>	Unit charge	pence per kwh	3.40	(i.e 100 kwh heat ticket is £3.40)
	Standing charge	£ per week	4.63	
<b>New schemes</b>				
<b>Standard price</b>	Unit charge	pence per kwh	3.38	
	Standing charge	£ per week	4.00	

Note ; 1) It is planned that all properties on community heating will have new meters installed (as part of the roll out of the Heat Metering Programme) by January 2017 and the standard prices for new metered schemes, as detailed above, will apply city wide. 2) Prices are reviewed annually and any necessary changes are made to reflect the trading position on the account.

## 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	40,763
Homes - dwellings by 2043/44	36,402
Number of RTBs 2015/16	320
Total number of RTBs by 2043/44	4730
Rents	CPI+1% for years 1-10
Consumer Prices Index (CPI) of inflation	2%
Bad Debts	Average of 1%
Void rate	1.5%
Repairs	Increased by contractual inflation
HRA reserves are maintained in accordance with risk based reserves strategy	£8.8m

Debt assumptions	Assumption
Opening HRA Borrowing requirement on 1 <sup>st</sup> April 2015	£346m
HRA borrowing limit	£386m
Interest rates on HRA debt	4.5%