

# SHEFFIELD CITY COUNCIL

## POLICY COMMITTEE DECISION RECORD

The following decisions were taken on Thursday 15 September 2022 by the Housing Policy Committee.

### Item No

#### **8. HRA BUSINESS PLAN 23/24**

8.1 The report provided an update of the key national and local contextual influences on the development of the Housing Revenue Account (HRA) Business Plan 2023/24. It included an explanation of the legal and financial framework governing the creation of the HRA Business Plan along with an assessment of associated risk. It set the scene for a more detailed exploration of the potential options for delivering a balanced HRA Business Plan to be considered by this Committee in November 2022.

8.2 **RESOLVED UNANIMOUSLY:** That Housing Policy Committee:-

1. Notes the HRA Business Plan update and wider national and local influences as described in this report.
2. Recommends that a further HRA Business Plan 2023/24 report to be presented at the Housing Policy Committee in November 2022 including recommendations around the rent increases for 2023/24, the HRA budget for 2023/24 and savings proposals for 2023/24.

#### **8.3 Reasons for Decision**

8.3.1 To optimise the number of good quality affordable council homes in the city;

8.3.2 To maximise the financial resources to deliver key service outcomes for tenants and the city in the context of a self-financing funding regime;

8.3.3 To ensure that tenants' homes continue to be well maintained and to optimise investment in estates; and

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

#### **8.4 Alternatives Considered and Rejected**

8.4.1 Sheffield City Council has a statutory duty to produce an annual balanced HRA budget, which is evidenced by the business plan update, therefore no alternative option was considered to producing this report.

#### **9. HOUSING GENERAL FUND BUDGET PROPOSALS 23/24**

9.1 The report provided an update of the budgetary challenges for the Housing General Fund in 2023/24. It set the scene for a more detailed exploration of the potential options for delivering a balanced Housing General Fund to be considered by the Housing Committee in November 2022.

9.2 **RESOLVED UNANIMOUSLY:** That Housing Policy Committee:-

1. Notes the Housing General Fund financial pressures 2023/24 detailed within the report.
2. Recommends that a further Housing General Fund 2023/24 report to be presented at the Housing Policy Committee in November 2022 including recommendations on savings proposals for 2023/24.

### 9.3 **Reasons for Decision**

9.3.1 Members were asked to note the unsustainable financial position highlighted by the medium-term financial analysis presented to Strategy and Resources Committee in July 2022. The report and its recommendations, set out the scale of the challenge ahead, the limited resources available and some of the difficult decisions that will need to be taken.

### 9.4 **Alternatives Considered and Rejected**

9.4.1 The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.

## 10. **COMMUNITY HEATING PRICING REVIEW**

10.1 The purpose of the paper proposed a price increase in October 2022 for Community heating charges; to mitigate the risk that the significant energy price changes over the last 6 months has now put on the Community Heating Account.

The current energy crisis puts Sheffield City Council and many other authorities in a very challenging position, the point at which we forecast costs for this year was at a point at which the true cost of gas was still largely unknown. Forecasts ranged daily with a lack of any certainty at a fixed point. A price increase was recommended to full cabinet based on the information at the time which was an assumed increase of 37%. The actual increase is now 107%. Charges are still fluctuating as the crisis is ongoing and further increase will be needed next year.

If charges to customers are not increased, the current forecast estimates that there will be a short fall of more than £1 million, by the end of the current financial year in the community heating account, which would need to be supported by the HRA or General Fund, until it could be recovered.

10.2 **RESOLVED:** That Housing Policy Committee:-

1. Approve that the standing rate change remains fixed at £4.90 per week for the duration of the financial year and the kWh charge is increased from 5.69p per kWh to 12p per kWh from October 2022.

### 10.3 **Reasons for Decision**

10.3.1 It is widely documented that the energy price cap will be increased again in October, whilst community heating does not fall under the price cap at this time, it is a clear point for all other customers that at this stage they can expect to see prices increase. Consumption is also at the lowest in the summer months and

changing prices now will not have as much impact. The recommendation to increase the prices is required to relieve the pressure on the Housing Revenue Account and to ensure that tenants on community heating are not subsidised for the increase in energy costs that all other tenants are experiencing and that support is out in place to work with any tenant facing hardship to ensure any available help available is identified.

#### 10.4 **Alternatives Considered and Rejected**

10.4.1 Consideration was given to either not increasing the prices, or only increasing them a smaller amount now to minimise impact on tenants who have community heating. This was rejected as this would in effect mean we are subsidising community heating tenants over all other tenants. There is also the risk that prices will continue to rise and that a smaller increase now would just mean needing an even larger increase later.

### 11. **HOUSING PERFORMANCE REPORT**

11.1 The report provided the Committee with an overview of housing performance for a range of services within the remit of the Committee. The report covered the period for quarter 1 (April – June) of 2022/2023. The first part of the report provided an analysis of the performance, setting this within both the national and local context in which services are delivered. More detailed appendices were included with data showing comparative data from other landlords and regulatory performance. The report allowed the Committee to understand and comment on the performance delivery of housing services to both tenants and citizens.

11.2 **RESOLVED UNANIMOUSLY:** That Housing Policy Committee:-

1. Notes the Performance Report update provided for quarter 1 of 2022/2023.
2. Highlights any issues of concern.

#### 11.3 **Reasons for Decision**

11.3.1 The Housing Policy Committee has delegated authority to monitor the performance of Housing services to ensure that:-

1. The service is delivering for tenants, and that tenant satisfaction is closely monitored.
2. Limited resources are maximised due to budgetary pressures.
3. The Council is delivering on corporate priorities.
4. Performance information is shared with external organisations such as the Regulator of Social Housing and the Housing Ombudsman for scrutiny as, well as with tenants and, the Council's Housing and

Neighbourhood Service Tenancy Scrutiny meetings.

11.4 **Alternatives Considered and Rejected**

11.4.1 The Housing Policy Committee has delegated responsibility for the regular monitoring of data including performance and financial information, and the performance monitoring of Housing (public sector, private sector, and related functions) services. Therefore, no alternative options to the production of this report have been considered.

12. **HOUSING OMBUDSMAN CODE OF PRACTICE**

12.1 The Complaint Handling Code was introduced in July 2020 by the Housing Ombudsman and updated further in April 2022. It sets out how the Housing Ombudsman expects social landlords to manage customer complaints, describes best practice and supports landlords in responding to complaints effectively and fairly.

A requirement of the Code is that social landlords assess their complaints handling against the Code annually, using a standard template provided by the Housing Ombudsman. Local Authority landlords must report the outcomes of the assessment to Elected Members and publish the assessment on their website and in their annual report.

An assessment against the code was undertaken in July 2022 and the purpose of the report was to:-

1. Inform Housing Policy Committee of the outcomes of the assessment, and of the actions agreed to address non-compliance.
2. Seek the Housing Policy Committee's approval to publish the outcomes of the assessment.

12.2 **RESOLVED UNANIMOUSLY:** That Housing Policy Committee:-

1. That the Housing Committee notes the outcomes of the self-assessment against the Code.
2. That the Housing Committee gives their approval for the outcomes of the assessment to be published.

12.3 **Reasons for Decision**

Housing Policy Committee is being asked to note the self-assessment and to give its approval for publication of the assessment on the Council website because this will help us achieve transparency and accountability in how we manage with housing-related complaints. It is also a requirement of the Housing Ombudsman for all social landlords that we do so.

12.4 **Alternatives Considered and Rejected**

Self-assessment against the Housing Ombudsman's Code and publication of the

outcomes, are a requirement of all social landlords. Therefore, in this respect there were no other alternatives considered.

### **13. REVENUE MONITORING REPORT**

13.1 The report brought the Committee up to date with the Council's financial position as at Month 4 2022/23.

13.2 **RESOLVED UNANIMOUSLY:** That Housing Policy Committee:-

1. Note the Council's challenging financial position as at the end of July 2022 (month 4).

#### **13.3 Reasons for Decision**

By the law the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves.

#### **13.4 Alternatives Considered and Rejected**

13.4.1 The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.

### **14. HRA PRESSURES AND SAVINGS (LINKED TO ITEM 8)**

14.1 The report provided an in-depth breakdown of the pressures and mitigation/savings options for the Housing Revenue Account in 2023/24. Members were asked to consider the mitigation options presented in this paper. A delivery plan for achieving a balanced Housing Revenue Account for 2023/24 will then be developed and presented to the next meeting of this Committee in November 2022. Members were asked to note that some of the proposals in the report are sensitive and have not been shared with staff or citizens and are therefore confidential.

14.2 **RESOLVED UNANIMOUSLY:** That Housing Policy Committee:-

1. Acknowledges the recommendation approved at the Strategy and Resources Committee on [5 July 2022](#) that "Policy Committees will be asked to develop savings / additional income options that cover their own pressures – in effect cash standstill" and to "require Policy Committees to report at their meetings in September on how they can balance their budgets."
2. Notes, as this Committee's initial response to the Strategy and Resources Committee's request, the set of budget proposals set out in the report *[and in any appendices]*.
3. Notes that Officers will now work with Members to consult with relevant stakeholders (including with partners, trades unions and in respect of

equalities and climate change) on the proposals in this report so as to inform final budget proposals.

4. Notes that Officers will work to develop any necessary detailed implementation plans for the proposals in this report so that the proposals, if ultimately approved, can be implemented as planned before or during the 2023/24 financial year.
5. Ask to receive a further report in November that will set out the final budget for this Committee following consultation and any adjustments requested by the Strategy and Resources Committee.

#### 14.3 **Reasons for Decision**

Members were asked to note the unsustainable financial position highlighted by the medium-term financial analysis presented to Strategy and Resources Committee in July 2022. The report and its recommendations, set out the scale of the challenge ahead, the limited resources available and some of the difficult decisions that will need to be taken.

#### 14.4 **Alternatives Considered and Rejected**

The Council is required to both set a balanced HRA budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.

### 15. **GENERAL FUND PRESSURES AND SAVINGS (LINKED TO ITEM 9)**

- 15.1 The report provided an in-depth breakdown of the pressures and mitigation/savings options for the Housing General Fund in 2023/24. Members were asked to consider the mitigation options presented in this paper. A delivery plan for achieving a balanced Housing General Fund for 2023/24 will then be developed and presented to the next meeting of this Committee in November 2022. Members were asked to note that some of the proposals in this report are sensitive and have not been shared with staff or citizens and are therefore confidential.

#### 15.2 **RESOLVED UNANIMOUSLY:** That Housing Policy Committee:-

1. Acknowledges the recommendation approved at the Strategy and Resources Committee on [5 July 2022](#) that “Policy Committees will be asked to develop savings / additional income options that cover their own pressures – in effect cash standstill” and to “require Policy Committees to report at their meetings in September on how they can balance their budgets.”
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inform final budget proposals.

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Members were asked to note the unsustainable financial position highlighted by the medium-term financial analysis presented to Strategy and Resources Committee in July 2022. The report and its recommendations, set out the scale of the challenge ahead, the limited resources available and some of the difficult decisions that will need to be taken.

15.4 **Alternatives Considered and Rejected**

The Council is required to both set a balanced budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.