

Housing Policy Committee

**Thursday 10 November 2022 at 10.00
am**

**To be held in the Town Hall,
Pinstone Street, Sheffield, S1 2HH**

The Press and Public are Welcome to Attend

Membership

Councillor Douglas Johnson
Councillor Penny Baker
Councillor Ben Curran
Councillor Sue Auckland
Councillor Fran Belbin
Councillor Denise Fox
Councillor Maleiki Haybe
Councillor Sophie Thornton
Councillor Paul Wood

PUBLIC ACCESS TO THE MEETING

The Housing Policy Committee discusses and takes decisions on Housing matters:

- Public sector
- Private sector
- Homelessness
- Refugee resettlement programmes
- Gypsy and traveller sites

Meetings are chaired by Councillor Douglas Johnson.

A copy of the agenda and reports is available on the Council's website at www.sheffield.gov.uk . 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 Policy Committee meetings and recording is allowed under the direction of the Chair. Please see the [Council's Webpage](#) 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.

Policy Committee meetings are normally open to the public but sometimes the Committee 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 on the agenda.

Meetings of the Policy Committee have to be held as physical meetings. If you would like to attend the meeting, please report to an Attendant in the Foyer at the Town Hall where you will be directed to the meeting room. However, it would be appreciated if you could register to attend, in advance of the meeting, by emailing committee@sheffield.gov.uk, as this will assist with the management of attendance at the meeting. The meeting rooms in the Town Hall have a limited capacity. We are unable to guarantee entrance to the meeting room for observers, as priority will be given to registered speakers and those that have registered to attend.

Alternatively, you can observe the meeting remotely by clicking on the 'view the webcast' link provided on the meeting page of the [website](#).

If you wish to attend a meeting and ask a question or present a petition, you must submit the question/petition in writing by 9.00 a.m. at least 2 clear working days in advance of the date of the meeting, by email to the following address: committee@sheffield.gov.uk.

In order to ensure safe access and to protect all attendees, you will be recommended to wear a face covering (unless you have an exemption) at all times within the venue. Please do not attend the meeting if you have COVID-19 symptoms. It is also recommended that you undertake a Covid-19 Rapid Lateral Flow Test within two days of the meeting.

If you require any further information please email committee@sheffield.gov.uk.

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms. Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

**HOUSING POLICY COMMITTEE AGENDA
10 NOVEMBER 2022**

Order of Business

- 1. Welcome and Housekeeping**
The Chair to welcome attendees to the meeting and outline basic housekeeping and fire safety arrangements.
 - 2. Apologies for Absence**
 - 3. Exclusion of Press and Public**
To identify items where resolutions may be moved to exclude the press and public
 - 4. Declarations of Interest** (Pages 7 - 10)
Members to declare any interests they have in the business to be considered at the meeting
 - 5. Minutes of Previous Meeting** (Pages 11 - 20)
To approve the minutes of the last meeting of the Committee held on
 - 6. Public Questions and Petitions**
To receive any questions or petitions from members of the public
 - 7. Work Programme**
Report of the Director
 - 8. Committee Work Programme** (Pages 21 - 36)
Report of Director, Legal and Governance
- Formal Decisions**
- 9. General Fund Budget Position for year 2023/2024** (To Follow)
 - 10. HRA Business Plan 2023/24** (To Follow)
 - 11. SCC response to government consultation on the Rent Standard** (Pages 37 - 48)
Report of Executive Director, Operational Services
 - 12. Introductory Tenancies** (Pages 49 - 58)
Report of Executive Director, Operational Services
 - 13. Housing Strategy Task and Finish Group** (Pages 59 - 68)
Report of Executive Director, Operational Services

14. **Revenue Budget Monitoring Report - Month 6** (Pages 69 - 78)
Report of Director of Finance and Commercial Services
15. **Capital Finance Monitoring Report** (To Follow)

NOTE: The next meeting of Housing Policy Committee will be held on Thursday 15 December 2022 at 10.00 am

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ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

If you are present at a meeting of the Council, of its Policy Committees, 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 David Hollis, Interim Director of Legal and Governance by emailing david.hollis@sheffield.gov.uk.

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Housing Policy Committee

Meeting held 15 September 2022

PRESENT: Councillors Douglas Johnson (Chair), Penny Baker (Deputy Chair), Fran Belbin, Denise Fox, Maleiki Haybe, Sophie Thornton, Mike Chaplin (Substitute Member) and Alan Woodcock (Substitute Member)

1. APOLOGIES FOR ABSENCE

1.1 Apologies were received from Councillors Paul Wood, Ben Curran and Sue Auckland.

2. EXCLUSION OF PRESS AND PUBLIC

2.1 **RESOLVED:** That the public and press be excluded from the meeting before discussion takes place on agenda item 14 'HRA Pressures and Savings' (item 13 of the minutes) and item 15 'General Fund Pressures and Savings' (item 14 of the minutes) on the grounds that, if the public and press were present during the transaction of such business, there would be a disclosure to them of exempt information as described in paragraphs 3 and 5 of Schedule 12A to the Local Government Act 1972, as amended.

3. DECLARATIONS OF INTEREST

3.1 There were no formal declarations of interest made at the meeting.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 9th June 2022 were approved as a correct record.

4.1.1 Matters Arising

Councillor Fran Belbin noted that her attendance was recorded at the previous meeting as being 'present' but apologies were sent.

4.1.2 Cllr Denise Fox enquired about responses to Emily Proctor and Geoff Cox.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Mark Southall attended the Committee and brought the following petition which was answered by the Chair:

5.1.1 I am writing this letter on behalf of myself and the other residents in the block of flats. We are unhappy about the flat of 21A Creswick Way, S62 TP, being used as a halfway property when all of us were sent letters asking is anyone had any objections against the property being built. We did not object or have any issues with this, but we were not informed that it would become a halfway house. All of

us have agreed that if this was the case then we would have objected and expressed concerns. Surrounding neighbours and I have signed a petition for the property in question to become a permanent residential property.

Answer

The tenants moved out back to Brightmore Drive (temporary accommodation block) on Friday following further ASB incidents. The property on Creswick Way is now vacant. This property will be returned back to the area for general needs letting based on the local concerns and the petition.

- 5.2 Jenny Carpenter attended the Committee and asked the following question which the Chair answered:
- 5.2.1 Private rented accommodation has some of the poorest energy efficiency performance standards and consequently the highest energy bills. Liverpool City Council has addressed this head on by using a selective licensing designation which requires landlords to comply with minimum energy standards. When will Sheffield follow suit and do something similar?

Answer

In term of selective licensing, it is on our workplan for discussion at a future meeting. I am advised that it is not technically correct that Liverpool is enforcing this type of energy through the selective licensing scheme. There are two pieces of different legislation and each one is enforced through its own route. They have done something interesting there and I am sure this will be considered.

The selective licensing is something that applies to private landlords in an area or across the whole city. The minimum energy efficiency standards is a separate piece of legislation and enforcement tool which can be applied and the advice is that we do not proactively carry that out within the private sector at present. This is because we do not have the resources to do that proactive work and it is something that is needed. We have been working with DLUHC on new legislation to push for the increase in the minimum standard to EPC level C and there are also some exemptions for landlords which we have and will continue to press the government to act on.

6. WORK PROGRAMME

- 6.1 The Principal Democratic Services Officer presented the Work Programme and informed Committee that although it contained suggestions for what it may contain, it was up to the Committee to decide. The Committee were asked to agree the set of recommendations in the report and give consideration to any necessary additions and amendments. Referrals in section 2.0 of the report were also pointed out.
- 6.1.1 The Chair referred to the items in section 2.0 of the Work Programme and the proposed actions taken. It was agreed by the Committee that the proposed action for Issue 3 would be for Officers to progress in the right way.
- 6.1.2 Members raised questions and responses were given around the Gleadless

Valley Delivery Plan, Master Plan, Consultation on the Delivery Plan, delivery team and local briefings. It was also clarified that in order to add to the agenda that informal briefings can be requested and that pre-agenda meetings are utilised.

6.2 RESOLVED UNANIMOUSLY:

1. That the Committee's work programme, as set out in Appendix 1 be agreed, including any additions and amendments identified in Part 1;
2. That consideration be given to the further additions or adjustments to the work programme presented at Part 2 of Appendix 1; and
3. That Members give consideration to any further issues to be explored by officers for inclusion in Part 2 of Appendix 1 of the next work programme report, for potential addition to the work programme.

7. COMMUNITY HEATING PRICING REVIEW

- 7.1 The Service Manager introduced the report which 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.

7.2 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.

7.3 Reasons for Decision

- 7.3.1 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.

7.4 Alternatives Considered and Rejected

- 7.4.1 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.

(NOTE: The result of the vote on the resolution was FOR - 1 Member; AGAINST - 0 Members; ABSTENTIONS – 7 Members.)

8. HOUSING PERFORMANCE REPORT

- 8.1 The Director of Housing Services presented the report which 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.

8.2 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.

8.3 Reasons for Decision

- 8.3.1 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.

8.4 Alternatives Considered and Rejected

8.4.1 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.

9. HOUSING OMBUDSMAN CODE OF PRACTICE

9.1 The Head of Neighbourhood Service presented the report which outlined the Complaint Handling Code that was introduced in July 2020 by the Housing Ombudsman and updated further in April 2022. It set 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.

9.2 **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.

9.3 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.

9.4 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.

10. REVENUE MONITORING REPORT

10.1 The Director of Finance and Commercial Services presented the report which brought the Committee up to date with the Council's financial position as at Month 4 2022/23.

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

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

10.3 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.

10.4 Alternatives Considered and Rejected

10.4.1 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.

11. HRA BUSINESS PLAN 23/24

11.1 The Director of Housing Services presented the report which 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.

11.2 **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.

11.3 Reasons for Decision

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

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

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

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

11.4 **Alternatives Considered and Rejected**

11.4.1 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.

12. **HOUSING GENERAL FUND BUDGET PROPOSALS 23/24**

12.1 The Director of Housing Services presented the report which 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.

12.2 **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.

12.3 **Reasons for Decision**

12.3.1 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.

12.4 **Alternatives Considered and Rejected**

12.4.1 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.

13. **HRA PRESSURES AND SAVINGS (LINKED TO ITEM 11)**

13.1 The Director of Housing Services presented the report which 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.

13.2 **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.

13.3 **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.

13.4 **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.

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

- 14.1 The Director of Housing Services presented the report which 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.

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

6. 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.”
7. 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]*.
8. 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.
9. 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.
10. 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 budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.

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Report to Housing Committee

10th Nov 2022

Report of: David Hollis, Interim Director of Legal and Governance

Subject: Committee Work Programme

Author of Report: Rachel Marshall, Principal Democratic Services Officer

Summary:

The Committee's Work Programme is attached at Appendix 1 for the Committee's consideration and discussion. This aims to show all known, substantive agenda items for forthcoming meetings of the Committee, to enable this committee, other committees, officers, partners and the public to plan their work with and for the Committee.

Any changes since the Committee's last meeting, including any new items, have been made in consultation with the Chair, and the document is always considered at the regular pre-meetings to which all Group Spokespersons are invited.

The following potential sources of new items are included in this report, where applicable:

- Questions and petitions from the public, including those referred from Council
- References from Council or other committees (statements formally sent for this committee's attention)
- A list of issues, each with a short summary, which have been identified by the Committee or officers as potential items but which have not yet been scheduled (See Appendix 1)

The Work Programme will remain a live document and will be brought to each Committee meeting.

Recommendations:

1. That the Committee's work programme, as set out in Appendix 1 be agreed, including any additions and amendments identified in Part 1;
2. That consideration be given to the further additions or adjustments to the work programme presented at Part 2 of Appendix 1;
3. That Members give consideration to any further issues to be explored by officers for inclusion in Part 2 of Appendix 1 of the next work programme report, for potential addition to the work programme; and
4. *(Add specific recommended actions for issues requiring a steer from the Committee eg in respect of items identified in Section 2 - referrals from other committees and petitions/questions etc)*

Background Papers: None

Category of Report: Open

COMMITTEE WORK PROGRAMME

1.0 Prioritisation

1.1 For practical reasons this committee has a limited amount of time each year in which to conduct its formal business. The Committee will need to prioritise firmly in order that formal meetings are used primarily for business requiring formal decisions, or which for other reasons it is felt must be conducted in a formal setting.

1.2 In order to ensure that prioritisation is effectively done, on the basis of evidence and informed advice, Members should usually avoid adding items to the work programme which do not already appear:

- In the draft work programme in Appendix 1 due to the discretion of the chair; or
- within the body of this report accompanied by a suitable amount of information

2.0 References from Council or other Committees

2.1 Any references sent to this Committee by Council, including any public questions, petitions and motions, or other committees since the last meeting are listed here, with commentary and a proposed course of action, as appropriate:

Issue 1	
Referred from	
<i>Details</i>	
<i>Commentary/ Action Proposed</i>	

3.0 Member engagement, learning and policy development outside of Committee

3.1 Subject to the capacity and availability of councillors and officers, there are a range of ways in which Members can explore subjects, monitor information and develop their ideas about forthcoming decisions outside of formal meetings. Appendix 2 is an example 'menu' of some of the ways this could be done. It is entirely appropriate that member development, exploration and policy development should in many cases take place in a private setting, to allow members to learn and formulate a position in a neutral space before bringing the issue into the public domain at a formal meeting.

2.2 Training & Skills Development - Induction programme for this committee.

Title	Description & Format	Date

Appendix 1 – Work Programme

Part 1: Proposed additions and amendments to the work programme since the last meeting:

Item	Proposed Date	Note
Older Persons Independent Living Strategy		Removed from November meeting – new date TBA
Private Sector Assistance Policy		Removed from November meeting
Garage and Outhouses Repair and Investment Strategy		Removed from November meeting – new date TBA
Gypsy Traveller New Pitch and Sites Plan		Removed from November meeting – new date TBA
Gleadless Valley Delivery Plan		Removed from November meeting – new date TBA
Housing Related Support Reviews		Removed from November meeting – new date TBA
Leaseholder Charging Policy		Removed from November meeting
Introductory Tenancies		Added to November meeting – already had Form 1
Housing Strategy – Task and Finish Group		Added to November meeting – Needs a Form 1
SIP Monitoring Report and Update		Removed from November meeting
Homelessness Prevention and Rough Sleeper Strategy	December 2022	Removed from November meeting and added to December meeting
Housing Strategy	March 2023	Removed from December meeting and added to March meeting
Gypsy Traveller and Pitch Fees	February 2023	Removed from December meeting and added to February meeting
HNS and Repairs Performance Report		Removed from December meeting
Review of Selective Licensing/City wide Licensing Scheme		Removed from December meeting – new date TBA.
HRA Community Buildings – BIP		Removed from December meeting
Customer access points review, BIP		Removed from December meeting
Consultation on amendments to the Allocations Policy		Removed from December meeting – new date TBA
Gas Servicing Policy and Procedure	December 2022	Added to December meeting – Needs a Form 1
SIP Monitoring Report and Update		Removed from February meeting
Rent sense system recontract		Removed from non-allocation table
Domestic Heating Strategy	February 2022	Removed from December meeting and added to February meeting
Commercial heating strategy and plans	February 2022	Removed from December meeting and added to February meeting

Part 2: List of other potential items not yet included in the work programme

Issues that have recently been identified by the Committee, its Chair or officers as potential items but have not yet been added to the proposed work programme. If a Councillor raises an idea in a meeting and the committee agrees under recommendation 3 that this should be explored, it will appear either in the work programme or in this section of the report at the committee’s next meeting, at the discretion of the Chair.

Topic	
Description	
Lead Officer/s	
Item suggested by	<i>Officer, Member, Committee, partners, public question, petition etc</i>
Type of item	<i>Referral to decision-maker/Pre-decision (policy development/Post-decision (service performance/ monitoring)</i>
Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	
Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	
Lead Officer Commentary/Proposed Action(s)	

Part 3: Agenda Items for Forthcoming Meetings

Meeting 3	10 November 2022	Time				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> • Decision • Referral to decision-maker • Pre-decision (policy development) • Post-decision (service performance/ monitoring) 	(re: decisions) Prior member engagement/ development required <i>(with reference to options in Appendix 1)</i>	(re: decisions) Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 2)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> • This Cttee • Another Cttee (eg S&R) • Full Council • Officer
General Fund Budget Position for year 2023/2024	Updated budget position for year 2023/2024 and consideration of required savings	Ryan Keyworth	Decision			This Committee
HRA Business Plan 2023/24	Updated budget position for year 2023/2024 and consideration of required savings prior to referral to Full Council in February 23	Janet Sharpe	Referral to decision-maker	Yes		This Committee & Full Council
SCC response to government consultation on the Rent Standard	Approval of the response submitted to the government on proposed changes to the Rent Standard	Janet Sharpe	Post Decision	N/A		N/A
Introductory Tenancies	Consideration of a new approach to offering tenancies for new tenants	Suzanne Allen	Decision	Yes		This Committee

Housing Strategy Task and Finish Group	Approval of a new task and finish group for the upcoming Housing Strategy	Georgina Parkin	Decision	Yes		This Committee
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Work Programme</i> • <i>[any other committee-specific standing items eg finance or service monitoring]</i> 					
Revenue Finance Monitoring Report	Approval of Revenue Finance Monitoring Report	Ryan Keyworth/Jane Wilby	Post-decision	N/A		N/A
Capital Finance Monitoring Report	Approval of Capital Finance Monitoring Report	Janet Sharpe	Post-decision (service performance/ monitoring)	N/A		N/A

Meeting 4	15 December 2022	Time				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> • <i>Decision</i> • <i>Referral to decision-maker</i> • <i>Pre-decision (policy development)</i> • <i>Post-decision (service performance/ monitoring)</i> 	(re: decisions) Prior member engagement/ development required <i>(with reference to options in Appendix 1)</i>	(re: decisions) Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 2)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> • This Cttee • Another Cttee (eg S&R) • Full Council • Officer
Gas Servicing Policy and Procedure	Approval of a new policy and procedure for managing gas servicing	Alison Charlesworth	Decision	Yes		This Committee

	cases and enforcement of annual inspections					
Homelessness prevention and Rough Sleeper Strategy	Approval of Final Homelessness Prevention and Rough Sleeper Strategy	Suzanne Allen	Decision	Yes		This Committee
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Work Programme</i> • <i>[any other committee-specific standing items eg finance or service monitoring]</i> 					
Revenue Finance Monitoring Report	Approval of Revenue Finance Monitoring Report	Ryan Keyworth	Post-decision	N/A		N/A
Capital Finance Monitoring Report	Approval of Capital Finance Monitoring Report	Janet Sharpe	Post-decision (service performance/ monitoring)	N/A		N/A

Meeting 5	2 February 2023	Time				
Topic	Description	Lead Officer/s	Type of item	(re: decisions) Prior member engagement/	(re: decisions) Public Participation/	Final decision-maker (& date)
			<ul style="list-style-type: none"> • <i>Decision</i> • <i>Referral to decision-maker</i> 			<ul style="list-style-type: none"> • This Cttee • Another Cttee (eg S&R)

			<ul style="list-style-type: none"> • <i>Pre-decision (policy development)</i> • <i>Post-decision (service performance/ monitoring)</i> 	development required <i>(with reference to options in Appendix 1)</i>	Engagement approach <i>(with reference to toolkit in Appendix 2)</i>	<ul style="list-style-type: none"> • Full Council • Officer
Shared Ownership Policy	Approval of amendments to existing Shared Ownership policy	Georgina Parkin	Decision	Yes		This Committee
Communal Areas Investment Strategy	Approval of the 5-year investment plan for communal areas for low rise flats.	Nesreen Lowson	Decision	Yes		This Committee
Gypsy and Traveller Pitch Fees	Approval of annual charges for Gypsy and Traveller Pitch Fees	Jonathan South	Decision	Yes		This Committee
Domestic Heating Strategy	To review and approve 10-year heating strategy for domestic dwellings in our aim to achieve net zero.	Alison Charlesworth	Decision	Yes		This Committee
Commercial heating strategy and plans	To approve heating strategy for commercial heating systems to achieve net zero and upgrade failing systems.	Alison Charlesworth	Decision	Yes		This Committee
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Work Programme</i> • <i>[any other committee-specific standing items eg finance or service monitoring]</i> 					
Revenue Finance Monitoring Report	Approval of Revenue Finance Monitoring Report	Ryan Keyworth	Post-decision	N/A		N/A

Capital Finance Monitoring Report	Approval of Capital Finance Monitoring Report	Janet Sharpe	Post-decision (service performance/ monitoring)	N/A		N/A
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Meeting 6	10 March 2023	Time				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> Decision Referral to decision-maker Pre-decision (policy development) Post-decision (service performance/ monitoring) 	(re: decisions) Prior member engagement/ development required (with reference to options in Appendix 1)	(re: decisions) Public Participation/ Engagement approach (with reference to toolkit in Appendix 2)	Final decision-maker (& date) <ul style="list-style-type: none"> This Cttee Another Cttee (eg S&R) Full Council Officer
Housing Strategy	Approve final Housing Strategy	Suzanne Allen	Referral to decision maker	Yes		This Committee and Full Council
HNS and Repairs Performance Report	Bi-annual overview of HNS and Repairs Service performance (including Capital Programme and Stock Increase Programme updates)	Janet Sharpe	Post-decision (service performance/ monitoring)	N/A		This Committee
Standing items	<ul style="list-style-type: none"> Public Questions/ Petitions Work Programme [any other committee-specific standing items eg finance or service monitoring] 					
Revenue Finance Monitoring Report	Approval of Revenue Finance Monitoring Report	Ryan Keyworth	N/A		N/A	N/A

Capital Finance Monitoring Report	Approval of Capital Finance Monitoring Report	Janet Sharpe	N/A		N/A	N/A
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Items which the committee have agreed to add to an agenda, but for which no date is yet set.						
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> Decision Referral to decision-maker Pre-decision (policy development) Post-decision (service performance/monitoring) 	(re: decisions) Prior member engagement/development required <i>(with reference to options in Appendix 1)</i>	(re: decisions) Public Participation/Engagement approach <i>(with reference to toolkit in Appendix 2)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> This Cttee Another Cttee (eg S&R) Full Council Officer
Asbestos Management Plan for Non-Domestic and Domestic Property	Annual Review and update of Policy and the Asbestos Management Plan for properties managed by the Housing and Neighbourhoods Service	Nesreen Lowson	Post-decision (service performance/monitoring)	N/A		N/A
Gas Servicing policy and procedure	Approval of a new policy and procedure for managing gas servicing cases and enforcement of annual inspections	Alison Charlesworth	Decision	Yes		This Committee
Housing Strategy (draft for consultation)	Approval of draft Housing Strategy to be published for public consultation	Suzanne Allen	Pre-decision (policy development)	Yes		This Committee

Charged Gardening Scheme	<ul style="list-style-type: none"> Consideration of a charged gardening scheme for council tenants 	Helen Scott	Policy and Implementation	Yes		This Committee
Service Charges and Consultation arrangements	<ul style="list-style-type: none"> Consideration of the possible introduction of service charges for council tenants 	Carl Mullooly	Pre-decision (policy development) – to commence formal consultation.	Yes		This Committee
Net-Zero Roadmap - for existing public and private homes	Approval of plans for achieving Net Zero across SCC homes - Stage 1	Nathan Robinson	Decision	Yes		This Committee
Consultation on amendments to the Allocations Policy	Approval of proposed Allocation Policy amendments	David Wilkinson	Re-decisions (Policy development)	Yes		This Committee
Gleadless Valley Delivery Plan						
Garage and Outhouses Repair and Investment Strategy						
Older Persons Independent Living Strategy						
Gypsy and Traveller New Pitch and Sites Plan						

Consultation on amendments to the Allocations Policy						
Housing-related Support Review						

Appendix 2 – Menu of options for member engagement, learning and development prior to formal Committee consideration

Members should give early consideration to the degree of pre-work needed before an item appears on a formal agenda.

All agenda items will anyway be supported by the following:

- Discussion well in advance as part of the work programme item at Pre-agenda meetings. These take place in advance of each formal meeting, before the agenda is published and they consider the full work programme, not just the immediate forthcoming meeting. They include the Chair, Vice Chair and all Group Spokespersons from the committee, with officers
- Discussion and, where required, briefing by officers at pre-committee meetings in advance of each formal meeting, after the agenda is published. These include the Chair, Vice Chair and all Group Spokespersons from the committee, with officers.
- Work Programming items on each formal agenda, as part of an annual and ongoing work programming exercise
- Full officer report on a public agenda, with time for a public discussion in committee
- Officer meetings with Chair & VC as representatives of the committee, to consider addition to the draft work programme, and later to inform the overall development of the issue and report, for the committee's consideration.

The following are examples of some of the optional ways in which the committee may wish to ensure that they are sufficiently engaged and informed prior to taking a public decision on a matter. In all cases the presumption is that these will take place in private, however some meetings could happen in public or eg be reported to the public committee at a later date.

These options are presented in approximately ascending order of the amount of resources needed to deliver them. Members must prioritise carefully, in consultation with officers, which items require what degree of involvement and information in advance of committee meetings, in order that this can be delivered within the officer capacity available.

The majority of items cannot be subject to the more involved options on this list, for reasons of officer capacity.

- Written briefing for the committee or all members (email)
- All-member newsletter (email)
- Requests for information from specific outside bodies etc.
- All-committee briefings (private or, in exceptional cases, in-committee)
- All-member briefing (virtual meeting)
- Facilitated policy development workshop (potential to invite external experts / public, see appendix 2)
- Site visits (including to services of the council)
- Task and Finish group (one at a time, one per cttee)

Furthermore, a range of public participation and engagement options are available to inform Councillors, see appendix 3.

Appendix 3 – Public engagement and participation toolkit

Public Engagement Toolkit

On 23 March 2022 Full Council agreed the following:

A toolkit to be developed for each committee to use when considering its 'menu of options' for ensuring the voice of the public has been central to their policy development work. Building on the developing advice from communities and Involve, committees should make sure they have a clear purpose for engagement; actively support diverse communities to engage; match methods to the audience and use a range of methods; build on what's worked and existing intelligence (SCC and elsewhere); and be very clear to participants on the impact that engagement will have.

The list below builds on the experiences of Scrutiny Committees and latterly the Transitional Committees and will continue to develop. The toolkit includes (but is not be limited to):

- a. Public calls for evidence
- b. Issue-focused workshops with attendees from multiple backgrounds (sometimes known as 'hackathons') led by committees
- c. Creative use of online engagement channels
- d. Working with VCF networks (eg including the Sheffield Equality Partnership) to seek views of communities
- e. Co-design events on specific challenges or to support policy development
- f. Citizens assembly style activities
- g. Stakeholder reference groups (standing or one-off)
- h. Committee / small group visits to services
- i. Formal and informal discussion groups
- j. Facilitated communities of interest around each committee (eg a mailing list of self-identified stakeholders and interested parties with regular information about forthcoming decisions and requests for contributions or volunteers for temporary co-option)
- k. Facility for medium-term or issue-by-issue co-option from outside the Council onto Committees or Task and Finish Groups. Co-optees of this sort at Policy Committees would be non-voting.

This public engagement toolkit is intended to be a quick 'how-to' guide for Members and officers to use when undertaking participatory activity through committees.

It will provide an overview of the options available, including the above list, and cover:

- How to focus on purpose and who we are trying to reach
- When to use and when not to use different methods
- How to plan well and be clear to citizens what impact their voice will have
- How to manage costs, timescales, scale.

There is an expectation that Members and Officers will be giving strong consideration to the public participation and engagement options for each item on a committee's work programme, with reference to the above list a-k.

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Report to Policy Committee

Author/Lead Officer of Report: Janet Sharpe,
Director of Housing

Tel: 0114 2735493

Report of: Executive Director, Operational Services

Report to: Housing Policy Committee

Date of Decision: 10 November 2022

Subject: Response to the Regulator of Social Housing on proposals to amend the Rent Standard

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Has appropriate consultation taken place?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Purpose of Report:

This report provides the Housing Policy Committee with a copy of the response to the Secretary of State on changes to the Rent Standard. The response was approved in October by the Chair and Vice Chair of the Housing Policy Committee in conjunction with the Leader to meet the consultation deadline and submitted on behalf of Sheffield City Council.

Recommendations:

It is recommended that the Housing Policy Committee: -

1. Notes the response that was submitted and the implications on the Housing Revenue Account that were highlighted.
2. Notes that a further report will be submitted to the Housing Policy Committee once the outcomes of the consultation are known to inform a decision regarding council housing rents for 2023/24.

Background Papers:

None

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Helen Damon
		Legal: Stephen Tonge
		Equalities & Consultation: <i>n/a</i>
		Climate: <i>n/a</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:	<i>Ajman Ali</i>
3	Committee Chair consulted:	<i>Cllr Douglas Johnson</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Janet Sharpe</i>	Job Title: <i>Director of Housing</i>
	Date: 2 nd November 2022	

1. Proposal

- 1.1 This is a copy of the response to consultation from the government** This report provides the Housing Policy Committee with a copy of the response to the Secretary of State on changes to the Rent Standard. The consultation was launched by the government to determine whether to impose a temporary amendment to the Rent Standard. This uncertainty over the outcome means that council housing rents in Sheffield cannot be finalised at this time.

2. Background

- 2.1 The Rent Standard sets an upper limit on rent increases** In 2019, the government set a rent policy that permitted rents for social housing to increase by up to CPI plus 1 percentage point ('CPI+1%') per annum. The intention was to leave this policy in place until 2025. When the current rent policy was set in 2019, inflation was forecast to be around 2% in 2022 and 2023. CPI was 10.1% in September 2022 so this would permit social housing rent increases from 1 April 2023 to 31 March 2024 of 11.1%. This much higher than expected rate of inflation is already placing considerable pressure on many households, including those living in social housing.
- 2.2 The consultation proposed a temporary upper limit** The consultation therefore sought views on a new Direction from the Secretary of State to the Regulator of Social Housing in relation to social housing rent policy. It focused on the introduction of a rent ceiling from 1 April 2023 to 31 March 2024, which would act as an upper limit on the maximum amount by which Registered Providers of social housing can increase rents in that year.
- 2.3 A ceiling of 5% was proposed in the draft Direction** This draft direction was based on setting the ceiling at 5%. This would act as an upper limit on the maximum permitted annual rent increase a Registered Provider is allowed to implement. Registered Providers would be permitted to increase rents by 5% or CPI+1%, whichever is the lower. However, within this consultation, the Regulator sought views on 3%, 5% and 7% as ceiling options.
- 2.4 The impact of a lower ceiling has significant implications for the HRA** There are significant financial pressures that the 2023/24 HRA Business Plan will have to address including rising cost inflation, materials and purchasing constraints and pressures on cost of living. If the rent is set at below the September CPI rate, this will have an impact on our planned activities and in some circumstances mean we are no longer able to deliver everything we have planned to do. A rent increase of below CPI+1% does have a significant impact on the business plan and on services to tenants, as the rent 'lost' is a permanent reduction to the rent base.
- 2.5 The response to** The response provided to the Secretary of State (attached) highlighted the significant financial and service delivery implications

the government highlighted the risks to the HRA

to the HRA from the imposition of a temporary 5% ceiling. It proposed that individual housing organisations should be left to determine the appropriate local rent levels, balancing affordability, and Housing Revenue Account viability. This preserves the principle of local democratic accountability. Local knowledge is important in understanding the balance between raising income and delivering services.

2.6 Many providers have responded in a similar way

Informal discussions with other providers and with representative bodies indicate that most organisations have responded along similar lines to Sheffield. They have highlighted the risks associated with a temporary ceiling but have suggested that a ceiling of 7% is the absolute minimum to achieve revenue viability.

2.7 A new Direction won't be issued until January 2023

The government has given an indicative timeline of 'the end of the year' for reporting back on the outcomes of the consultation. This means that the Committee cannot recommend an approach to council housing rents for 2023/24 at this point. A further report will be needed to Housing Policy Committee and/or Strategy and Resources Committee if a new Direction is issued. Full Council approval will be required in February 2023 to confirm any rent increase for 2023/24 to meet statutory notification timescales to tenants.

3. How does this decision contribute?

3.1 The response recognises the difficult financial situation

The response to the Secretary of State aimed to highlight the risks to the Housing Revenue Account in Sheffield through the proposals. The response was drafted to maximise financial resources to deliver housing outcomes to citizens in Sheffield considering developments in national policy, the current economic climate, and reductions in government funding.

3.2 HRA services are part of the current One Year Plan

The delivery of Housing Revenue Account services has made a significant contribution to the delivery of '*High quality, safe homes for all our citizens*' as part of the Council's One-year Plan.

3.2 Services will reflect the Medium-Term Corporate Plan

The Council have developed a new set of strategic priorities for 2023/24 (Our Sheffield – administration priorities) with the intention for these priorities to form the basis of the new medium term Corporate Plan which is currently in development. As the new Corporate Plan emerges from these administration priorities, we will continue to ensure that our own priorities link and feed into to broader corporate priorities where relevant.

4. Has there been any consultation?

4.1 No consultation was undertaken on this report No consultation was required on this report although the response to the Secretary of State will be made public.

5. Risk analysis and implications of the decision

5.1 There are no direct Equality implications arising from this report **Equality Implications**
There are no direct equality implications arising from this report

5.2 There are no direct financial implications arising from this report **Financial and Commercial Implications**
There are no direct financial implications arising from this report.

5.3 No new legal issues arise other than those ordinarily governing the HRA **Legal Implications**
In February 2019 the Government published a policy statement on rents for social housing from 1 April 2020 onwards and, pursuant to powers under section 197 of the Housing and Regeneration Act 2008, issued the Direction on the Rent Standard 2019. This required the Regulator of Social Housing to set a new rent standard, consistent with the Rent Policy Statement, with effect from 1 April 2020. The Direction applies to the Regulator in relation to the rents of all registered providers of social housing, including local authorities, and replaces a 2014 Direction which applied only to the rents of private registered providers. The requirement that the Council's rent increases be in accordance with government rent policy is not itself new but with effect from 1 April 2020 this is secured through a regulatory standard. The Council must comply with the rent setting rules. If it fails to do so it may be made subject to regulatory action.

5.4 There are no direct climate implications arising from this report **Climate Implications**
There are no direct climate implications arising from this report.

6. Alternative options considered

-
- 6.1 No other options were considered** The Secretary of State provided the opportunity for Registered Providers to respond to their consultation proposals. There are significant potential implications arising from the proposals, so it was important for the Council to respond to highlight these to the government in the required timescales.
-

7. Reasons for recommendations

-
- 7.1 Members are asked to note the response and the potential implications on the HRA** Members are asked to note the response provided and the potential impacts on the Housing Revenue Account noted in the response. The Council are unable to set rents for council housing until the outcome of the consultation is known. A further report will be required to the Housing Policy Committee and/or to Strategy and Resources Committee to confirm council housing rents for 2022/23 depending on when the final determination is issued.
-

Rent Standard Consultation 23/24

Response from SCC (Sheffield City Council)

Question 1: *Do you agree that the maximum social housing rent increase from 1 April 2023 to 31 March 2024 should be subject to a specific ceiling in addition to the existing CPI+1% limit? To what extent would Registered Providers be likely to increase rents in that year if the government did not impose a specific ceiling?*

No, we do not agree that the 2023/24 rent increase should be subject to a ceiling. We feel that individual housing organisations should be left to determine the appropriate local rent levels which balance affordability and Housing Revenue Account viability. This preserves the principle of local democratic accountability.

As a responsible Local Authority, Sheffield understands the needs of its tenants. Many of our tenants are already experiencing financial hardship linked to the cost-of-living crisis. An increase in rents of over 10% would have a significant impact on many tenants – our Members understand this and would carefully consider the level of increase to reflect local circumstances. Local discretion is vital as we have the knowledge of our stock and our tenants. Any below inflation increase would however represent a real cut in services. We also know from our annual consultation process with our tenants that they value the services that we provide. They recognise that increases in rent levels are necessary to preserve as well as continually develop the services that they receive.

Sheffield has a long history of supporting our tenants with financial inclusion and hardship advice and intervention. We have well developed procedures for identifying households in need and providing that targeted intervention to support those most in need. We have scaled up that support as part of our Business Plan proposals. Our preferred approach is to be left to manage local tenants, locally.

Approximately 40% of our tenants are currently on Housing Benefit - these tenants would be covered for any rent increase through increased Housing Benefit payments. This factor we feel highlights that the main beneficiary of a rent ceiling would be the Treasury, through a reduction in the Housing Benefit bill, rather than existing social housing tenants. This policy approach may therefore function as a disbenefit for tenants. Although it may mitigate the short-term cost of living crisis for tenants not in receipt of benefit support – in Sheffield's case 26% of our 38,000 tenants – the long-term disbenefit in required service cuts and reductions far outweighs this immediate impact.

A further third of Sheffield tenants are now on Universal Credit. These tenants would receive an additional housing element to their Universal Credit payments although for many this would not come directly to the Council. This places an additional income risk on the Business Plan with households having to balance paying their rent with heating and general living costs.

The current debate around the potential increase in benefit payments (inflationary vs wages) adds further uncertainty to our projections. The presumption would be for those tenants on Housing Benefit then the full cost of

the increase (ceiling or CPI+1%) would be covered. For tenants on Universal Credit, then the picture is less certain depending on which formula is applied. That may mean that the full cost of a rent increase would not be met by any increase in Universal Credit, increasing pressure and uncertainty on households in Sheffield even further.

Around a quarter of our tenants pay full rent so would be affected the most by an increase in rent. We are planning yet again to increase the level of our Hardship Fund budget to support tenants who are suffering a genuine hardship. We understand where this should be targeted and rent flexibility would allow us to do this in the most effective way.

If the Government's aim is to reduce the pressure on tenant households, then it may wish to consider supporting housing providers to do this locally. If a rent cap is imposed, then Government could mitigate the impact on housing providers through additional grant funding to support the delivery of services to tenants which would otherwise have to be cut. That would still reduce the impact on the welfare benefit bill but provide mitigation both to providers and tenants.

In addition, we feel that social rent levels in Sheffield already represent value for money, both for our tenants and the Treasury. Social rents in the city for an average 3-bed house are at 68% of Local Housing Allowance levels (£90.22 vs £132.33). Market rents in the Sheffield are continuing to rise. There is considerable geographical variation across the city, but social rents are between 36% and 58% of comparable market rents for a 3-bed house in social housing neighbourhoods. Social housing therefore provides a vital resource for households who would otherwise be priced out of renting in Sheffield.

In an inflationary and high-demand private rental market in Sheffield we feel it is important for social rents, which already provide value for money, to at least maintain the differential with the private rented sector. If they do not, then our tenants will miss much needed investment in their homes.

Finally, it is important to understand the pressures that Local Authority Business Plans are already having to absorb, even without a rent cap:

- Significant backlogs from COVID
- £600k in additional fire and building safety management costs and a £5m capital investment programme for fire, building and environmental safety
- Increases of around £30k per unit for new build
- Over £2m increase in gas and electricity price rises for our buildings and our community heating schemes
- Increasing interest rates on borrowing to fund debt
- Local Government pay offer affecting Sheffield of at least 6.8%

- Our projections for 2023/24 show a £21m pressure on our Housing Revenue Account Business plan.

The indicative timescales for the consultation are a concern for all Local Authorities. In Sheffield, we are already involved in financial planning for 2023/24. Proper decision making, consultation and governance means that discussions with Members are already taking place and need to be concluded by the end of the calendar year 2022. This is to allow proper consultation with tenants and the timely issue of the statutory notification of a rent increase. Uncertainty caused by this proposal affects the decision-making process as to cuts in services and jobs, as well as appropriate governance of the Council. A prompt decision and determination on the outcomes of the consultation is vital to allow us to plan effectively.

Question 2: *Do you agree with imposing a ceiling of 5%, or are there alternative percentages that would be preferable, such as a 3% or 7% ceiling? Do you have any comments or evidence about the potential impact of different options, including of the 3%, 5% and 7% options as assessed in our Impact Assessment (Annex D)?*

We do not agree that a ceiling should be imposed on rent increases for 2023/24. However, our modelling suggests that a 7% ceiling would create the least detriment on Housing Revenue Account viability and the least impact on tenants in terms of potential service reductions.

A 5% ceiling will mean a one-year loss of £9.5 million income for Sheffield. That equates to £285.5 million income that will be lost over the 30 years of the current Business Plan for Sheffield.

A 7% ceiling would reduce this loss by an additional £3.1m of income (23/24) into the Housing Revenue Account over and above a 5% ceiling - £93 million over 30 years. Our projections indicate that a 7% rent increase would still put undue pressure on our Housing Revenue Account viability:

- The average pay increase for Housing staff in Sheffield, under the current pay offer being considered by the Trade Unions (although not yet agreed), is a minimum of 6.8%. Anything less than a 7% ceiling would necessarily result in service and staff reductions.
- We are already having to manage construction inflation and constructor contract costs over 7%, so anything below that puts further pressure on our maintenance and reduces our investment budgets and future investment in Decent Homes and assets.
- We would potentially have to increase our borrowing or re-finance our existing loans portfolio to balance the Housing Revenue Account over 30 years. This will add additional costs to our Business Plan which will need to be funded from a reduced rental base. It also increases our exposure to risk in an uncertain financial market, taking on new borrowing when

interest rates are significantly fluctuating. This may mean committing to long-term debt in a rising rates market.

- We are still dealing with COVID-19 backlogs. If we reduce income, then it will take longer to get our services back to pre-COVID levels – particularly regarding responsive repairs. We estimate that this has cost Sheffield an additional £30m in dealing with repair costs alone.

The imposition of a 7% ceiling would mean us having to make £6.4m in service reductions over the next 12 months – that equates to around 4% reduction of our annual forecast income. The likely casualties of this reduction in spending are some of the long-term investment plans, including new homes for homeless households and insulation schemes to keep people safe and warm, which we had hoped to develop.

- Our stock increase programme would need to be scaled back. The current estimated cost for delivering our 3,100-unit programme in Sheffield is £558m. We are planning to scale back our programme by £200m - a reduction of 800 units - due both to rising inflation and additional programme costs (contractor and legislative including fire and energy). We are reviewing our programme costs, particularly those for more expensive provision of specialist and supported accommodation, including homelessness (see below) and smaller units for older people to support the release of family accommodation. We would welcome further consideration from Government on increasing the flexibilities to Local Authorities to mitigate this delivery risk. Sheffield worked with Government to explore options for removing the debt cap and increasing borrowing flexibilities – this is something that we would like to reconsider. We would also welcome further discussions about Right to Buy receipt flexibility which would again mitigate the reduction in our planned stock increase programme.
- Our business plan modelling at present allows for achievement of EPC (Energy Performance Certificate) C on the 6,900 social housing properties that do not yet meet that standard by 2030 but not achievement of any further progress towards Net Zero. Any ceiling below CPI+1% will mean that we must reduce our current plans. Our estimates point to additional investment of at least £380m to get from EPC C to Net Zero by 2030. More flexibility on capital grants would help mitigate against this risk.
- We will have to review our capital investment programme and potentially delay some of the planned improvements. We will need to smooth the delivery of our programme so that borrowing becomes more affordable and balances against our income profile. This will mean that tenants must wait longer for much needed improvements. It also means that the cost of our investment programme increases reducing the level of investment that we can deliver. All this puts pressure on our day-to-day responsive repairs budget and may impact on the delivery of any new Decent Homes Standard set out by the Government.

- We have already seen a significant increase in homelessness in the city because of the affordability crisis. We are having to use our own temporary accommodation along with bed and breakfast as an emergency measure to support families in need. We have 1,000 households in need of priority housing and our existing accommodation is at capacity. Our temporary accommodation requires investment and was a part of our stock increase programme which is now under review. Without direct provision, then we will increase our use of more expensive private-rented accommodation placing further pressure on the benefit system and a wider range of Council services.
- A reduction in income will require Sheffield to focus on delivering essential services only to our tenants. We have worked with our tenants to determine their priorities – our Landlord Commitments – and these along with our regulatory and statutory obligations will have to become the focus for our service delivery.
- We would inevitably have to make staffing reductions under all rent cap scenarios. The scale of those cuts would be determined by the level of rental income and the changes in service delivery outlined above. We are already planning for reductions through voluntary schemes where possible but if a cap is imposed then we may have to consider compulsory options. Our job role profile means that the impact on this would be proportionately greater on our lowest paid staff.

Question 3: *Do you agree that the ceiling should only apply to social housing rent increases from 1 April 2023 to 31 March 2024, or do you think it should apply for two years (i.e., up to 31 March 2025)?*

Yes, we agree that if any ceiling limit is imposed through a revised Rent Standard, then this should be for just one year. A 7% cap means that we would lose £6.4m income in one year, £192m over 30 years. A two-year cap reduces our baseline for 2024/25 even further compounding these issues.

Any further extension of the Rent Standard cap should be undertaken through a more extensive consultation linked to the Rent Standard post-2025 and with clear compensatory support for the social housing sector. The issues highlighted here are compounded by the lack of freedom to plan beyond the current Rent Standard. Increased certainty around that would allow us to develop a more considered Business Plan for tenants in Sheffield.

Question 4: *Do you agree that the proposed ceiling should not apply to the maximum initial rent that may be charged when Social Rent and Affordable Rent properties are first let and subsequently re-let?*

Yes, we agree that the ceiling should not apply to properties on their first let or subsequent re-let. The cost/benefit appraisals for our new build and acquisition programmes are sometimes undertaken well in advance of development and

purchase decisions. These programmes are based on forecast rental returns which will suffer a detriment if any ceiling is imposed by changes to the Rent Standard – in effective retrospectively. This will affect the payback period on schemes and may necessitate additional borrowing which could exacerbate the pressure on the Housing Revenue Account.

Government may want to consider allowing housing providers to bring all properties up to Formula Rent as part of the mitigation for directing the Regulator to impose a ceiling as part of the Rent Standard. In Sheffield we currently have approximately one quarter of our stock (10,000 properties) at rent levels below Formula Rent. We estimate that equates to an annual loss of around £1.2m in rental income. Bringing all these to Formula Rent as part of any proposals would offset in a small way the loss of income from a below CPI+1% increase. A 7% ceiling would equate to £6.4million in lost income, so the additional income from increasing to Formula (£1.2 million) only takes us so far. But it does mean that rents are on a clearer and more consistent footing for tenants in Sheffield going forward.

Question 5: We are not proposing to make exceptions for particular categories of rented social housing. Do you think any such exceptions should apply and what are your arguments/evidence for this?

We do not directly provide any non-standard social rented housing in Sheffield now, so it is difficult for us to comment on this point. However, we do recognise the pressures that are being experienced by Registered Providers in Sheffield in providing supported accommodation for citizens. We would not wish to see any additional impact on this provision through restrictions in rent levels.



Report to Policy Committee

Author/Lead Officer of Report:

Lead Officer: Janet Sharpe

Author: Jack Hewitt, Suzanne Allen

Tel: (0114 474 3056)

Report of: *Ajman Ali, Executive Director Operational Services Portfolio*

Report to: *Housing Policy Committee*

Date of Decision: *10 November 2022*

Subject: *Introductory Tenancies*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1216				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Purpose of Report:

This Report seeks approval to elect to operate an Introductory Tenancies regime for all new council tenants. The Report will outline the statutory framework under which the council may choose to operate Introductory Tenancies, and the rationale for taking this course of action.

Recommendations:

It is recommended that the Housing Policy Committee: -

1. To approve the adoption and operation of an Introductory Tenancies regime (ITR), the key consequence of which would be that all new council tenants would be on a **non-secure** tenancy for the initial probationary period (12 to 18 months). The aim will be to implement this change on or after 01/04/2023.

Background Papers:

None

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Helen Damon, Tina Sharp (27.07.2022)</i>
		Legal: <i>Stephen Tonge (04.08.2022)</i>
		Equalities & Consultation: <i>Louise Nunn (03.08.2022)</i>
		Climate: <i>Jessica Rick (27.07.2022)</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:	<i>Ajman Ali</i>
3	Committee Chair consulted:	<i>Douglas Johnson</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Janet Sharpe</i>	Job Title: <i>Director of Housing</i>
	Date: <i>27/10/2022</i>	

1. PROPOSAL

(Explain the proposal, current position and need for change, including any evidence considered, and indicate whether this is something the Council is legally required to do, or whether it is something it is choosing to do)

- 1.1 This proposal is for the council to implement an Introductory Tenancies regime (ITR) for all new tenants. Introductory Tenancies function much like a probationary period. Seeking eviction is intended to be simpler as courts are required to order possession of the property when the tenancy has been breached in the introductory period, in all but exceptional circumstances.
- 1.2 Electing to operate an ITR is a strategic decision but one which is optional, not a legal requirement. However, Introductory Tenancies are currently used by the majority of other Core Cities, authorities in South Yorkshire, as well as Registered Providers in the city. Endorsing this proposal would, therefore, bring the council into line with peer organisations.
- 1.3 Currently, the council does not have a probationary ITR, and all new tenants are immediately granted secure tenancies. The background of the Housing Act 1996 legislation granting this power to councils was to make it simpler to deal with problematic tenants, primarily focused on anti-social behaviour. While research has shown that possession proceedings are primarily due to rent arrears and anti-social behaviour (ASB), the policy does not fetter the council's ability to seek possession to any specific grounds.
- 1.4 An Introductory Tenancy is a temporary or probationary tenancy that initially lasts twelve months. The tenancy is non-secure, meaning the tenant has fewer rights (such as the Right to Buy, Right to Sublet) during this probationary period. The council may extend introductory tenancies up to six months or take action to evict a tenant if they break the conditions of their tenancy, for example through instances of ASB or rent arrears. Otherwise, tenants automatically become secure when the probationary period ends. The ITR would apply to all new tenancies other than transferring secure or assured tenants. Existing secure tenants are not impacted.
- 1.5 The process for taking enforcement action through the courts system is intended to be more streamlined if the tenant is non-secure rather than secure, making this process less onerous, less time consuming, and more certain to result in successful possession. The reason for this is that courts must order possession if the correct procedures have been followed although for legal reasons the council may also be required to prove that the eviction is a proportionate action to achieve a legitimate aim (which is a lower threshold than seeking possession for most secure tenancy breaches). This policy would, therefore, aim to assist SCC in taking action to seek possession of a tenancy where rules have been

broken in a fair and consistent fashion, by utilising legislation designed for this purpose.

- 1.6 Further, it is thought that a tenant's awareness of being in a probationary period will have positive consequences for behaviour and willingness to engage with SCC support. This behaviour in the first year of a tenancy is seen as something that will have a positive impact in forming responsible habits for the life of that tenancy, something that will reduce tenancy failure and resource-ask for management in the medium to long term.
- 1.7 Finally, it is believed that introducing this new tool would be a positive response to persistent tenant concerns and frustrations with what is perceived as a failure to deal with problem behaviours in communities and neighbourhoods. This policy change would both signal SCC's intent, as well as providing beneficial additional options in managing tenancies.
- 1.8 The process for assessing the resources and staffing required to initiate and then continue to administer an Introductory Tenancies regime has been completed to an initial indicative level. There will be additional work required to review the progress of tenancies within the first twelve months, though it is possible that this will be offset by reduced tenancy management issues in the medium to long term. It is anticipated that existing levels of resource will be sufficient to deliver this change. This, however, remains an assumption – a full resource and cost plan will be produced after the decision is made on implementation. Further, the resource ask will be assessed in practice during the first twelve months following implementation to give a more accurate picture as this cannot at this time be gained from other local authorities. Additionally, this change would necessitate a review and update of the existing Tenancy Strategy (2013) to reflect a move towards Introductory Tenancies. This change would be initiated if the decision is made to implement an ITR.
- 1.9 There is, therefore, a need for this change to allow SCC to manage tenancies in the most effective way possible in a climate of increasing resource pressure coupled with rising tenant need. Adopting an ITR is expected to free up resources by streamlining the legal pathway to seek possession, reduce the risk of accruing rent arrears during this process, and assist SCC in responding to customer feedback to deal with serious breaches of tenancy in a fair and consistent way.
- 1.10 It should also be noted that an enquiry has been made to central government, relating to whether there were any plans or proposals currently being worked on that would remove councils' power to elect to operate an ITR. It was confirmed in response dated 8th September 2022 that there are no current plans for this change from central government.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 The contribution of this decision is primarily to communities and neighbourhoods, and ensuring that everyone has high quality, safe homes, in neighbourhoods that are clean, green, safe and thriving.
- 2.2 Most of our tenants comply with their tenancy agreement and expect other people to do so as well. Our tenants want us to act where there have been breaches in a fair and proportionate manner to ensure their neighbourhoods are safe and thriving. In the small number of cases per year where action to evict a tenant is required, having Introductory Tenancies in place should make this process simpler, thereby saving SCC time and resources that could be better directed elsewhere. This will contribute positively to customer experience, by better aligning our approach with customer expectations.
- 2.3 Introductory Tenancies have, therefore, been identified as a tool to help in achieving better customer outcomes by:
- Emphasising the value of the asset to the tenant, thereby encouraging responsible occupancy.
 - Making it easy for tenants to understand SCC's response to tenancy breaches by setting out clear and consistently enforced consequences.
 - Making it simpler for SCC to take possession of the asset where tenancies have been breached, as a last resort.
- 2.4 The changes in tenancy management provided by Introductory Tenancies will be particularly valuable in cases where individuals chose to, for example, not pay their rent despite having the ability to do so. It is intended that possession proceedings can be initiated and resolved in a shorter timeframe, limiting SCC exposure to rent arrears thereby better directing resources to funding critical services.
- 2.5 Additionally, in cases where individuals are unwilling to engage with SCC support to sustain a failing tenancy, the swifter process for seeking possession would allow the council to move that individual to a more suitable tenancy earlier on in the process. This would support better customer outcomes by proactively solving problems for customers, rather than allowing problems to go on over a longer than necessary period.
- 2.6 Feedback previously collected from other Local Authorities along with predicted data on Introductory Tenancies in Sheffield, however, indicate that evictions will not significantly increase. Based on 2018/19 data it is predicted that 97% of tenants on Introductory Tenancies would automatically progress to secure tenancies after 12 months.

How will tenants be supported?

2.7

- 2.7.1 All the support that SCC currently offers would still be available to tenants in the first year of their tenancy.
- 2.7.2 A key improvement is the upcoming introduction of a new Floating Support Service. The service will have the capacity to provide higher levels of support to around four hundred tenants per year that are identified as in need. This higher support will be in place for twelve months, meaning that during the whole of the probationary tenancy period those identified as needing extra help can have it available. It is predicted that this will complement an adoption of Introductory Tenancies, as the period of higher support being in place will support tenants to avoid unnecessary tenancy failure in the probationary period. Further, being automatically placed on a probationary tenancy may help to encourage our tenants to actively engage with and accept the support that is being offered, increasing the effectiveness of that support.
- 2.7.3 Likewise, the introduction of the Housing First model means that individuals with the most complex needs are housed in an environment where these needs can be met in an appropriate way. This is being expanded from thirty to fifty units, allowing more individuals to benefit from this service in the future. While this cannot be provided to all our tenants, we are continuing to work with partners to provide tailored options that are right for individuals, such as additional Rough Sleeper Move On accommodation available.
- 2.7.4 Further avenues for identifying need and organising support are provided by the Rehousing Panel (RACM). This is now in place to determine what wrap around support a high-need individual should have. Crucially, this focuses on other and specialist services, for example where mental health provision is needed, to ensure tenants receive the support they need outside of housing itself.
- 2.7.5 This will be complemented by the work undertaken through the Changing Futures programme. A cohort of around sixty to eighty individuals with complex needs has been identified, and the provision of effective and tailored wrap-around support explored. It is important to be considered, therefore, that support for tenants exists in a wider system, and we are actively seeking to work with our partners to make sure these systems function in the best possible way for our most vulnerable tenants.
- 2.7.6 Finally, our whole tenant cohort is also supported through the Housing Plus model, with a named Neighbourhood Officer responsible for each tenancy. How this works is currently under review, with a view to tailoring the support provided to those who need it most. The adoption of an Introductory Tenancies regime would complement this change, as neighbourhood officers would be able to factor in ensuring that tenants were assisted through their probationary period. Monitoring the cohort of tenants as they progress through the first twelve-month probationary period will allow all the avenues of support listed above to be effectively

targeted towards tenants to ensure they do not fail in their tenancy unnecessarily.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Although there is no statutory duty requiring the Council to consult tenants and/or wider community on the decision to operate an ITR, the DoE Circular 2/97 recommended that existing secure tenants be consulted because *“for most authorities it will form part of a wider strategy for dealing with anti-social behaviour by new and existing tenants alike and so information about the landlord’s intention will be germane to secure tenants.”*
- 3.2 Furthermore, as operating an ITR will be a change in Tenancy Strategy, and to ensure our customers’ voice is heard and at the heart of our decision making, a public consultation has been conducted in October 2022. The aim was to see whether our customers are supportive of this planned change, and whether it is generally seen as a fair and appropriate action by the council. The consultation survey received around 1000 responses.
- 3.3 The results of the consultation illustrate clear and broad public and tenant support for the implementation of an Introductory Tenancies regime. 1001 responses were submitted to the public survey. 86% of all survey respondents were in favour of making all new council tenancies probationary for the initial period, with the same proportion believing that this action is fair. Furthermore, 87% of respondents would be happy to agree to an Introductory Tenancy if they were a new council tenant.
- 3.4 The consultation also received high levels of engagement from respondents, with around half choosing to leave an optional comment to share their thoughts. By far the most popular theme to emerge from the comments related to accountability, responsibility, and the council’s response to anti-social behaviour (215 comments). Most comments with this theme agreed with adopting the policy, with anti-social behaviour from neighbours a clear topic. Some concerns were raised about fairness (60), just over half of these disagreed with adopting the policy. The final key theme was on support for tenants (40 comments), urging the council to ensure that proper support was given to help individuals sustain tenancies if this policy is adopted.
- 3.5 These figures are broadly consistent between individuals who identified themselves as existing SCC tenants and those who did not. The consultation indicates that the policy would, therefore, be responding to a strong tenant voice to adopt an Introductory Tenancy regime and would receive broad public support.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 Introductory Tenancies, if adopted, would apply to all new tenants equally. While tenants do have reduced rights during the introductory period, being a non-secure rather than secure tenant is only of significance if the terms of the tenancy agreement are breached. If this does not occur, the tenant is automatically converted to secure after the probationary period ends. The aim of the Introductory Tenancy regime is therefore to deal with tenants fairly based on the agreement made between tenant and SCC.
- 4.1.2 The most significant equalities risk is that adopting Introductory Tenancies would lead to an increase in evictions and homelessness for vulnerable groups. The mitigation for this comes in the form of support currently offered by SCC to vulnerable tenants – this would all still be available to new tenants.
- 4.1.3 Further, the decision to seek possession during the introductory period remains discretionary. Officer discretion will be applied to each case to determine whether ending the tenancy is the most appropriate option following consistent processes and procedures.
- 4.1.4 Finally, possession sought under Introductory Tenancies must be proportionate. SCC's decision can be challenged on these grounds, and therefore any possession action would need to be carefully considered to ensure it is a reasonable response in the situation.
- 4.1.5 To mitigate any equalities concerns, therefore, a robust policy and procedure should be in place to review any decision to seek possession of a property. This is to ensure that this decision is fair, consistent, and proportionate. This should reflect the policies and procedures already in place when considering eviction for existing and secure tenants.

4.2 Financial and Commercial Implications

- 4.2.1 Complications to assessing the financial implications come from the fact that the regime has been established for a long time in most other authorities. Previous research into the financial benefits of Introductory Tenancies from other authorities did not lead to any tangible savings figures, as these are not broken down by other authorities at this point.
- 4.2.2 However, in practice it has been found that possession of an Introductory Tenancy is most often sought in cases of rent arrears, with an expedited legal process cutting down on the amount of rent

arrears that accrue before possession is granted. This, therefore, is predicted to have a positive financial impact.

4.2.3

Additionally, time and staffing resources will be saved during this swifter legal process, although it is difficult to quantify this into an exact figure.

4.2.4

Likewise, financial benefits gained by seeking possession during the probationary period for instances of anti-social behaviour, rather than multiple attempts to resolve problems with secure tenants, could have a positive impact but a figure cannot be attributed to this currently.

4.2.5

The key focus should be on a choice of policy that improves service efficiency, fairness, and consistency, rather than the financial benefits which cannot be substantiated.

4.3 Legal Implications

4.3.1 The power to elect to operate Introductory Tenancies was provided under the Housing Act 1996 (HA 1996) for local housing authorities (LHAs) (and housing action trusts). The change would apply to all new tenants, but not those who are already a secure tenant.

4.3.2 The primary intention of the legislation was to make it easier to deal with “tenant conduct” tenancy management issues, such as anti-social behaviour, before tenants had security of tenure. The policy does not however prevent seeking possession for other tenancy compliance reasons.

4.3.3 There is no obligation for the council to operate an Introductory Tenancy regime, and, if adopted, the decision can be revoked at any time.

4.3.4 There is no requirement for the Council to consult its current tenants or its citizens before deciding whether to operate an ITR. If the Council elects to operate an ITR then the Director of Housing already has delegated powers to draw up and implement the necessary procedures to implement the ITR. A consultation, however, may be considered as part of council accepted practice and therefore be an expectation for a change of this type.

4.4 Climate Implications

4.4.1 This change is not foreseen to have significant Climate Implications.

4.4 Other Implications

(Refer to the decision making guidance and provide details of all relevant implications, e.g. human resources, property, public health).

- 4.4.1 There are no significant implications to note at this point other than referenced within this report.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The primary alternate option is 'do nothing' and opt not to implement an Introductory Tenancies regime. The decision to adopt is discretionary, meaning the Council is not required to do so. The Council has been operating without Introductory Tenancies since their introduction in legislation, and therefore this is considered a viable option. However, this option is not recommended, as it would deny the Council a useful tenancy management tool at a time when effective management of our housing stock is increasing in both difficulty and importance. Further, it would not be taking all possible steps to improve customer outcomes when there is strong tenant voice to have a fair and effective approach to dealing with violations of tenancy agreements, as demonstrated by the fact that a large majority of those consulted were in favour of this policy.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The recommendation of this paper is to adopt an Introductory Tenancies regime. It is vital that SCC take every action to effectively manage the increasingly scarce supply of social housing in the city. This policy allows us to do this better by allowing SCC to make use of streamlined legal pathways to seeking possession of a property where there have been serious breaches of the tenancy agreement – something other Local Authorities in core cities are making use of currently. Further, it would bring SCC in line with registered providers in the city and other South Yorkshire local authorities, meaning that Sheffield would no longer be making the necessary process of seeking possession of tenancies harder than it is for our peer organisations and operating a more generous regime. Finally, the consultation undertaken clearly illustrates the desire of the public and our tenants to implement a policy of this nature, reinforcing the notion that people are at the heart of what we do and that we listen to our customers in making decisions. Adopting this policy would signal to our tenants and other customers that we are committed to taking action, when necessary, in a fair, consistent and proportionate manner and is therefore the recommendation of this paper.



Report to Policy Committee

Author/Lead Officer of Report: Georgina Parkin/ Janet Sharpe

Tel: 0114 2735493

Report of: *Ajman Ali – Executive Director of Operational Services*

Report to: *Housing Policy Committee*

Date of Decision: *10 November 2022*

Subject: *The creation of a Task and Finish Group to oversee work to develop the new Housing Strategy*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
<i>Not applicable at this stage. An EIA will be developed for the Housing Strategy.</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
<i>Not applicable at the stage. A CIA will be undertaken for the Housing Strategy.</i>				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Purpose of Report:

This report seeks approval to appoint a Task and Finish Group to oversee work to develop a new Housing Strategy. Membership will be drawn from the Housing Policy Committee.

The Terms of Reference of the Group are appended to this report.

Recommendations:

It is recommended that the Housing Policy Committee: -

1. Approve the appointment of a Task and Finish Group on the terms described in this report to oversee work to develop a new Housing Strategy

Background Papers:

Appendix 1 - Terms of reference for Task and Finish Group

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>N/A at this stage</i>
		Legal: <i>N/A at this stage</i>
		Equalities & Consultation: <i>N/A at this stage</i>
		Climate: <i>N/A at this stage</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:	<i>Ajman Ali – Executive Director of Operational Services</i>
3	Committee Chair consulted:	<i>Cllr Douglas Johnson</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Georgina Parkin	Job Title: Service Manager – Strategic Housing and Regeneration
	Date: <i>October 2022</i>	

1. PROPOSAL

1.1 The Council's published Housing Strategy 2013 – 2023 is due to run out. We are not required by Government to have a housing strategy, but a strategy document sets out people's housing needs and what the Council intends to do to address them. It helps partners understand the Council's priorities and helps them align their plans and funding. A new Housing Strategy will:

- Provide an overview of housing related issues in the area
- Identify any mismatch between supply and demand
- Identify issues regarding housing conditions
- Set out the key objectives for the Council and its partners
- Establish priorities for action and spending priorities
- Develop an action plan and set out policy direction to deliver the Housing Strategy

The breadth of policy and investment issues which will be set out in the new housing strategy is significant. It is important that appropriate time is set aside for members of the Housing Policy Committee to consider housing context and options, and advise officers of future priorities to develop the new Housing Strategy.

It is proposed that a Task and Finish Group is established to oversee this work. The group will meet regularly for a time limited.

6 meetings of the Group will be held, running on a weekly basis. Meetings will focus on key policy issues which officers require advice on and which Councillors can request. Meeting topics include:

- 1) Equalities
- 2) Supported Housing
- 3) Access to Rented Housing
- 4) Private Rented Sector
- 5) Decarbonisation
- 6) Cllr choice / review and recap

The Group will be accountable to the Housing Policy Committee and will report on progress against the work programme to develop the new Council Housing Strategy. The full Terms of Reference, including membership of the Group, is appended to this report.

2. HOW DOES THIS DECISION CONTRIBUTE ?

2.1 Having a new Housing Strategy will directly contribute creating better communities and neighbourhoods and the Council's commitment to

achieving net zero by 2030. Equalities, decarbonisation and supporting the most vulnerable communities are at the heart of the policy issues the Task and Finish Group will be considering. The Group will enable key policy issues to be debated by members from across the political parties. This will ensure collective agreement on issues which need to be addressed by the Housing Strategy. This will result in a more rounded and effective Strategy, benefitting the Council, its residents and partners. Political endorsement at an early stage will also provide traction for the Strategy development.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 The Council is not required to consult on this proposal.

The Strategic Leadership Board have been briefed on the development of the Housing Strategy and recommended that the Housing Committee consider setting up a Task and Finish Group to oversee this work.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 The Task and Finish Group will have Member representation from the 3 largest political parties, ensuring that advice is reflective of the political makeup of the Council.

The meeting programme will include a session dedicated to equalities. This will help make sure that equalities issues are embedded within the policy advice provided by the Task and Finish Group. An EIA will be completed for the Housing Strategy.

4.2 Financial and Commercial Implications

4.2.1 There are no direct financial and commercial implications because of creating a Task and Finish Group. However, the group will consider the financial implications of policy advice provided.

4.3 Legal Implications

4.3.1 The Task and Finish Group will be formed in line with the Council's Constitution.

4.4 Climate Implications

4.4.1 There are no direct climate implications as a result of creating a Task and Finish Group. However, climate implications will be a key area of policy the Group will consider. A CIA will be completed for the Housing Strategy

4.4 Other Implications

(Refer to the decision making guidance and provide details of all relevant implications, e.g. human resources, property, public health).

- 4.4.1 The Housing Committee can establish 2 Task and Finish Groups each year. Setting up a Task and Finish Group for the Housing Strategy will leave one opportunity for the Committee's remaining annual work plan.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 An alternative would be to deliver a series of Knowledge Briefings for the Housing Policy Committee. This was rejected as it would not enable constructive debate and advice to be provided to officers.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The Task and Finish Group will bring together a small, focused group of members to examine key housing policy issues and provide clear advice to officers developing the strategy. Cross party representation will mean that political agreement is reached at an early stage of the process allowing the strategy to progress. This has been a significant barrier to the Strategy's development in the past.

The group will feedback advice given, and progress on the work programme to the Housing Policy Committee, so the Committee can make informed decisions on the Housing Strategy.

Policy Committee Task and Finish Groups

Terms of Reference

Housing Strategy Development

Housing Policy Committee

1. Purpose

- 1.2 The Council's Constitution outlines that Task and Finish Groups may be appointed by Policy Committees as appropriate to assist in the completion of their duties, save that each Policy Committee may have no more than one appointed Task and Finish Group at any time.

The purpose of such Task and Finish Groups is to examine in detail specific issues or aspects of policy, procedure or service, according to their remit. These groups do not take any decisions but inform the deliberations of the Policy Committee. They should provide regular progress updates to meetings of the Policy Committee

Details of the scope of this Task and Finish Group are set out in Section 4.

2. Membership and attendance

- 2.1 Membership is drawn from the Housing Policy committee. This may be the whole Committee or some of the Committee. When not the whole committee, membership of the Group will be proportionate to the political representation on the committee.

The Housing Strategy Task and Finish Group will consist of:

- 5 Elected Members and include 2 from the Labour Party, 2 from the Liberal Democrats Party and 1 from the Green Party.
- The Group will include at least one of the following members of the Housing Policy Committee
 - Chair
 - Deputy Chair
 - Group Spokesperson
- Councillors from each party will be appointed based on the topic for review. Members of the group may have a special knowledge or interest in the subject being considered.
- The Group may co-opt non-voting members who are not elected Members of the Council to assist in its consideration of an issue. This could include other council officers and representatives of other agencies for specific items.

- 2.3 Chair:

Task and Finish Groups will require a Chair to lead the review, chair meetings and report on progress. The Chair should be appointed based on the topic for review and can either be appointed by the parent committee or at the first meeting of the Task and Finish group.

2.4 The Task and Finish Group will be supported by officers from the relevant directorate. Officers will provide relevant material and take action notes for the Group

2.5 Task and Finish groups do not meet in public session and are not subject to the Access to Information Requirements.

2.6 The Group will be accountable to the Housing Policy Committee and report on progress against the work programme to develop the new Council Housing Strategy

2.6 Behaviours:

- Members of the Group will be polite and respectful and encourage constructive debate across the range of issue.
- Prepare for each meeting by reading briefings and fact sheets relevant to the task and finish group purpose.
- Request further information to help shape thinking where it is practicable to provide this within the constraints of the timetable set out for the group
- Members of the Group will request that certain issues are considered by the Group where this is practicable within the constraints of the timetable set out for the group
- Members will liaise with their relevant political parties in advance of the meetings and be empowered to provide advice within the remit of the task and finish group

3. Meeting Frequency and Format

3.1 6 meetings will be held. Meetings will take place weekly and last for 2 hours. Meetings will be in person where practicably possible or online. Additional meetings can be requested by Group Members by exception and will be facilitated where practicable with the time constraints of the Group

3.2 The Task and Finish Group will seek to bring its work to a conclusion and submit a report to the Policy Committee by December 2022

4. Scope of the Task and Finish Group

4.1 The Group has been established to oversee work to develop the new Housing Strategy. The group will meet regularly for a time limited period to provide advice on housing policy and investment priorities, to help shape the new housing strategy.

4.2 Specific Functions

- The Group will have oversight of key housing issues and give advice to officers who are developing the Housing Strategy
- Raise awareness and share information about policies, strategies and plans related to housing
- Feedback to the Housing Policy Committee about policy advice given to officers to shape the development of the housing strategy

4.3 Meeting work programme:

1. Equalities
2. Supported Housing
3. Access to rented housing
4. Private Sector Housing
5. Decarbonisation
6. Councillor choice or phase 2 of previous topics

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Report to Policy Committee

Author/Lead Officer of Report: Ryan Keyworth,
Director of Finance and Commercial Services

Tel: +44 114 474 1438

Report of: *Ryan Keyworth*
Report to: *Housing Committee*
Date of Decision: *10th November 2022*
Subject: *Month 6 Monitoring*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? (<i>Insert reference number</i>)				
Has appropriate consultation taken place?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

Purpose of Report:

This report brings the Committee up to date with the Council's financial position as at Month 6 2022/23 including General Fund revenue position, Housing Revenue Account

Recommendations:

The Committee is recommended to:

1. Note the Council's financial position as at the end of September 2022 (month 6).

Background Papers:

[2022/23 Revenue Budget](#)

Lead Officer to complete: -	
1	<p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <p>Finance: <i>Ryan Keyworth, Director of Finance and Commercial Services</i></p> <p>Legal: <i>Sarah Bennett, Assistant Director, Legal and Governance</i></p> <p>Equalities & Consultation: <i>James Henderson, Director of Policy, Performance and Communications</i></p> <p>Climate: n/a</p>
<p><i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i></p>	
2	<p>EMT member who approved submission: <i>Eugene Walker</i></p>
3	<p>Committee Chair consulted: <i>Cllr Bryan Lodge</i></p>
4	<p>I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p>
	<p>Lead Officer Name: <i>Ryan Keyworth</i> <i>Jane Wilby</i></p> <p>Job Title: <i>Director of Finance and Commercial Services</i> <i>Head of Accounting</i></p>
	<p>Date: 31st October 2022</p>

1. PROPOSAL

1.1 This report sets out the 2022/23 Month 6 financial monitoring position for the Council overall (1.2); by Committee (1.3) and for the Housing Policy Committee.

1.2 Council Portfolio Month 6 2022/23

1.2.1 The Council is forecasting a £18.6m overspend against the 2022/23 budget as at month 6.

Full Year £m	Outturn	Budget	Variance
Corporate	(464.6)	(463.2)	(1.4)
City Futures	46.7	46.8	(0.1)
Operational Services	113.3	113.4	(0.1)
People	313.5	295.9	17.6
Policy, Performance Comms	3.2	2.9	0.4
Resources	6.4	4.2	2.2
Total	18.6	(0.0)	18.6

1.2.2 This overspend is due to a combination of agreed Budget Implementation Plans (“BIPs”) not being fully implemented and ongoing cost / demand pressures that are partially offset by one-off savings.

Full Year Variance £m	One-off	BIPs	Trend	Total Variance
Corporate	0.0	0.0	(1.4)	(1.4)
City Futures	(0.1)	0.0	(0.0)	(0.1)
Operational Services	(5.8)	3.2	2.6	(0.1)
People	(0.4)	14.2	3.8	17.6
Policy, Performance Comms	(0.1)	0.3	0.2	0.4
Resources	(0.7)	1.7	1.3	2.2
Total	(7.1)	19.3	6.3	18.6

1.2.3 In 2021/22, the Council set aside £70m of reserves to manage the financial risks associated with delivering a balanced budget position. In 21/22, the council overspent by £19.8m which was drawn from this pool, a further £15m was used to balance the 22/23 budget and current forecast overspend at M6 is set to be £18.6m leaving a remaining risk allocation of £16.7m

	£m	
Allocated reserves	70.0	
21/22 Budget overspend	19.8	
22/23 Base budget committed	15.0	
22/23 BIP shortfall	19.3	
22/23 pressures	6.3	} (£18.6m overspend @ M6)
22/23 in year mitigations	(7.1)	
Reserves used @ M6	53.3	
Remaining reserves	16.7	

1.3 Committee Financial Position

1.3.1 Overall Position - £18.6m overspend at Month 6

There is a £11.8m overspend in the Adult Health and Social Care Committee and a £6.5m overspend in the Education, Children and Families Committee	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Adult Health & Social Care	164.4	152.5	11.8
	Education, Children & Families	135.2	128.6	6.5
	Housing	8.6	8.8	(0.1)
	Transport, Regeneration & Climate	41.3	41.9	(0.6)
	Economic Development & Skills	11.0	11.0	(0.0)
	Waste & Street Scene	54.4	54.7	(0.3)
	Communities Parks and Leisure	44.9	45.4	(0.5)
	Strategy & Resources	(441.2)	(442.9)	1.7
	Total	18.6	(0.0)	18.6

Most of the full year forecast overspend is attributable to shortfalls in Budget Implementation Plans (BIPs) delivery	Variance Analysis £m @ Month 6	One-off	BIPs	Trend	Total Variance
	Adult Health & Social Care	(0.5)	8.1	4.2	11.8
	Education, Children & Families	0.6	6.0	(0.1)	6.5
	Housing	0.0	0.0	(0.1)	(0.1)
	Transport, Regen & Climate	(2.1)	2.1	(0.6)	(0.6)
	Economic Dev't & Skills	(0.1)	0.0	0.1	(0.0)
	Waste & Street Scene	(3.2)	0.4	2.6	(0.3)
	Communities Parks & Leisure	(0.8)	0.5	(0.2)	(0.5)
	Strategy & Resources	(1.0)	2.2	0.6	1.7
	Total	(7.1)	19.3	6.3	18.6

£6.3m of one-off savings are mitigating part of the ongoing overspend

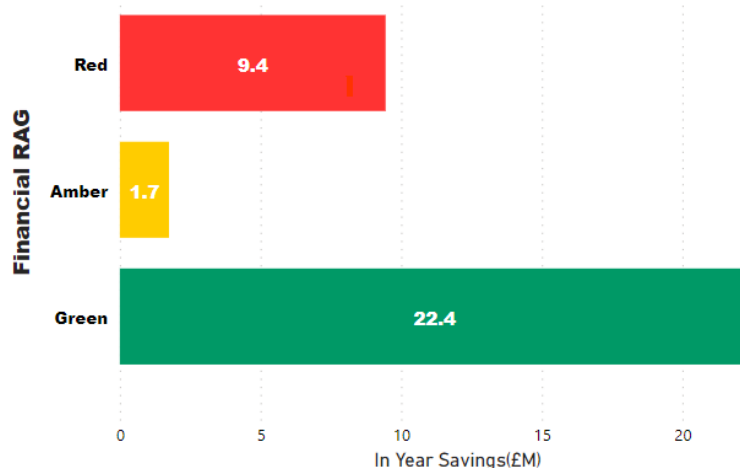
Contributions from provisions for energy and waste inflation mitigate the in-year impact of rising baseline costs. These are one-off contributions that will not help our position in 23/24 as the trend continues.

The government's recent announcement on the energy price cap only gives us protection on current rates until the end of the financial year. Currently, the best open market prices we are able to achieve for 1 April 2023 onwards results in a doubling in the unit price of energy that we will face.

Balancing the 22/23 budget was only possible with £53m of BIPs, £33m are reported as deliverable in year	Budget Savings Delivery Forecast @M6 £m	Total Savings 22/23	Deliverable in year	FY Variance
	People	37.7	23.5	14.2
	Operational Services	7.1	4.0	3.1
	PPC	1.2	1.0	0.2
	Resources	6.7	5.0	1.7
	Total	52.7	33.4	19.3

Focus must be on delivering BIPs in 22/23 and preventing the budget gap from widening

Of the £33m BIPs forecast as being deliverable, £9.4m are rated red, which indicates considerable risk that these will not be delivered in full which would increase the existing forecast overspend.



Of the £19.3m savings that are forecast to be undelivered this year, some can be delivered next financial year. It is estimated that £12m of this year's undelivered savings will still be unachievable in 23/24 and form part of the baseline pressures captured in the draft medium term financial analysis presented to the Strategy and Resources Committee on 5th July 2022.

Adult Health and Social Care are forecast to overspend by £11.8m

The high cost of packages of care put in place during covid has increased our baseline costs into 22/23. Work is underway as part of an investment plan with additional resource to tackle the underlying issues although recruitment issues are impacting our ability to deliver.

Education, Children and Families are forecast to overspend by £6.5m

Forecast under-delivery of budget implementation plans in the service are the main cause of overspends; plans to reduce staffing and increase income from Health are looking unlikely and the residential children's home strategy looks unlikely to deliver financial benefits.

The committee position improved in M6 by £0.8m due to an additional grant contribution of £0.5m for Household Support mitigating an overspend in this area alongside reductions to staffing forecasts.

1.4.4 **Housing Committee - General Fund Balanced but Housing Revenue Account overspend of £12.7m at Month 6**

The Housing General fund is forecast to be broadly in line with budget.	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Housing General Fund	8.6	8.7	(0.1)
	Housing Growth	0.1	0.1	0.0
	Total	8.7	8.8	(0.1)
The Housing Revenue Account is forecast to overspend by £12.7m.	Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
	Net Income – Dwellings	(149.5)	(152.6)	3.1
	Other income	(6.5)	(6.5)	(0.0)
	Repairs & Maintenance	48.7	41.4	7.3
	Depreciation	25.0	25.0	0.0
	Tenant Services	52.4	54.0	(1.6)
	-Disrepairs	5.2	2.6	2.6
	-Council Tax	2.2	0.9	1.3
	Interest on borrowing	13.6	13.6	(0.0)
	Contribution to Capital Programme	8.9	21.6	(12.7)
	Total	(0.0)	0.0	(0.0)
	Vacant properties are forecast to result in a £3.1m loss of rent and £1.3m extra Council Tax cost.	Loss of rent is forecast to be £3.1m for the year largely related to the speed of turnaround of repairs on vacant properties. The HRA plan had assumed voids at around 1.5% but whilst plans are in place to improve the position going forward the current rate is around 3.5%.		
	In addition, the extra Council Tax costs of vacant properties is forecast to be around £1.3m for the year.			
The Housing Repairs Service is forecast to overspend by £7.3m	There are significant overspends on employees, sub-contractors, and material costs in dealing with additional responsive repairs. Gas servicing and repair work to address voids, inclusive of the estimated extra cost of the pay offer for this service (£1m).			
Disrepair claims are estimated at £2.6m above budget.	The current forecast includes £2.6m extra costs for legal fees from an increasing volume of disrepair claims.			
Vacant posts in Tenant Services contribute to a forecast £1.6m underspend.	A forecast underspend across Tenant services is largely as a result of vacancies, more than offsets the additional pay offer cost of £1.1m.			
High inflation poses a risk to the business plan.	As part of the 2022/23 HRA Business Plan, rental income was increased by September's CPI +1%, as required per rent policy. Since then, the rate of CPI has been increasing, and is currently running at 10.1%, which is significantly higher than the 4.1% agreed. This needs further consideration in the business plan going forwards.			

Energy inflation is forecast to increase at around 100%, resulting in additional cost pressures in 22/23. This is forecast to be funded by specific earmarked reserves alongside an increase to the Kilowatt per hour charge within Community Heating services.

The use of reserves to mitigate the energy impact is one off, and not sustainable going forwards.

Community heating account is forecast to overspend by £0.3m due to rising energy prices	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Income	(3.6)	(3.3)	(0.3)
	Expenditure	3.8	3.2	0.6
	Total	0.2	(0.1)	0.3

Overspends in the HRA impact the capital programme

Without significant savings in revenue budgets, the long-term capital programme is not affordable. The month 4 outturn position results in a reduced contribution to the future programme.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The recommendations in this report are that each Policy Committee undertakes any work required to both balance their 2022/23 budget and prepare for the 2023/24 budget.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 There has been no consultation on this report, however, it is anticipated that the budget process itself will involve significant consultation as the Policy Committees develop their budget proposals

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 There are no direct equality implications arising from this report. It is expected that individual Committees will use equality impact analyses as a basis for the development of their budget proposals in due course.

4.2 Financial and Commercial Implications

- 4.2.1 There are no direct financial implications from this report.

4.3 Legal Implications

- 4.3.1 Under section 25 of the Local Government Act 2003, the Chief Finance Officer of an authority is required to report on the following matters:

- the robustness of the estimates made for the purposes of determining its budget requirement for the forthcoming year; and
- the adequacy of the proposed financial reserves.

- 4.3.2 There is also a requirement for the authority to have regard to the report of the Chief Finance Officer when making decisions on its budget requirement and level of financial reserves.

- 4.3.3 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. However, a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the Chief Finance Officer on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

4.4 Climate Implications

- 4.4.1 There are no direct climate implications arising from this report. It is expected that individual Committees will consider climate implications as they develop their budget proposals in due course.

4.4 Other Implications

4.4.1 No direct implication

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 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.

6. REASONS FOR RECOMMENDATIONS

6.1 This paper is to bring the committee up to date with the Council's current financial position as at Month 6 2022/23 including Revenue General Fund and Housing Revenue Account.

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