

Housing Policy Committee

**Thursday 14 December 2023 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 Nabeela Mowlana
Councillor Mazher Iqbal
Councillor Barbara Masters
Councillor Alison Norris
Councillor Paul Turpin
Councillor Paul Wood
Councillor Alan Woodcock

PUBLIC ACCESS TO THE MEETING

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

- Functions of the Council as Local Housing Authority, including
 - Public sector
 - Private sector
 - Homelessness
- Supported housing
- Relationships with other social housing providers
- 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
14 DECEMBER 2023**

Order of Business

Welcome and Housekeeping

The Chair to welcome attendees to the meeting and outline basic housekeeping and fire safety arrangements.

1. Apologies for Absence

2. Exclusion of Press and Public

To identify items where resolutions may be moved to exclude the press and public

3. Declarations of Interest

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

(Pages 7 - 10)

4. Minutes of Previous Meeting

To approve the minutes of the last meeting of the Committee held on

(Pages 11 - 16)

5. Public Questions and Petitions

To receive any questions or petitions from members of the public.

(NOTE: There is a time limit of up to 30 minutes for the above item of business. In accordance with the arrangements published on the Council's website, questions/petitions at the meeting are required to be submitted in writing, to committee@sheffield.gov.uk, by 9.00 a.m. on Tuesday 12 December 2023).

6. Members' Questions

To receive any questions from Members of the committee on issues which are not already the subject of an item of business on the Committee agenda – Council Procedure Rule 16.8.

(NOTE: a period of up to 10 minutes shall be allocated for Members' supplementary questions - one supplemental question on each question may be asked by the Member who had submitted the original question).

7. Work Programme

Report of the Director, Policy and Democratic Engagement

(Pages 17 - 28)

Formal Decisions

8. **2023/24 Q2 Budget Monitoring Report** (Pages 29 - 44)
Report of Executive Director, Neighbourhood Services
9. **Capital Finance Monitoring Report** (Pages 45 - 54)
Report of Executive Director, Neighbourhood Services
10. **HNS and Repairs Performance Reports** (Pages 55 - 76)
Report of Executive Director, Neighbourhood Services
11. **Housing Revenue Account Business Plan** (Pages 77 - 116)
Report of Executive Director, Neighbourhood Services

NOTE: The next meeting of Housing Policy Committee will be held on Thursday 11 January 2024 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 2 November 2023

PRESENT: Councillors Douglas Johnson (Chair), Penny Baker (Deputy Chair), Nabeela Mowlana (Group Spokesperson), Terry Fox, Barbara Masters, Alison Norris, Paul Turpin, Alan Woodcock and Mazher Iqbal (Substitute Member)

1. APOLOGIES FOR ABSENCE

1.1 Apologies of absence were received from Councillor Paul Wood.

2. EXCLUSION OF PRESS AND PUBLIC

2.1 **RESOLVED:** That the public and press be excluded from the meeting before discussion takes place on the appendix to **item 11** of on the agenda 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 previous meeting held on **14 September 2022** were approved as a correct record.

4.2 The Chair highlighted matters arising. It was observed that that repairs service are carrying out a difficult job under difficult circumstances. The Chair also highlighted that Councillor Alan Woodcock required a response to a question from the previous meeting. Item 11.3.2 of the minutes were illuded to and it was agreed to include this matter into the future workplan.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Several questions were received from David Cronshaw who did not attend the meeting. The Chair promised a written response.

6. MEMBERS' QUESTIONS

6.1 No Members' questions were received.

7. WORK PROGRAMME

7.1 The Principal Democratic Services Officer introduced the report which contained the Committee's work programme for consideration and discussion. The aim of the work programme was 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.

7.2 The Executive Director of Neighbourhood Services explained that a further report on Damp and Mould would be brought to the January Housing Policy Committee. It was highlighted that a deep dive session would also be arranged prior to this.

7.3 **RESOLVED UNANIMOUSLY:** That:-

1. The Committee's work programme, as set out in Appendix 1 be agreed, including any additions and amendments identified in Part 1;
2. Consideration be given to the further additions or adjustments to the work programme presented at Part 2 of Appendix 1; and
3. 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.

8. **HOUSING REGULATION AND SCC RESPONSE TO REGULATORY CONSULTATIONS**

8.1 The Director of Housing and Neighbourhood Services introduced the report which provided the Housing Policy Committee with an overview of the latest national regulatory developments impacting the social housing sector including how we are preparing and responding to proposed changes. The report also included responses to recent Regulatory Consultations (Consumer Standards and Changes to Regulator Fees Regime). Those could be found at Appendix 1 and Appendix 2 to the report.

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

1. Notes the content of the report.
2. Requests that future performance reports to this Committee include a review of risks and issues relating to compliance with the Regulator of Social Housing Consumer Standards.
3. Notes the consultation responses that were submitted and the implications on the Housing Revenue Account that were highlighted.
4. Requests that the Director of Housing and Neighbourhood Services include in the consultation response a clear statement that Government should meet cost of regulation.

8.3 **Reasons for Decision**

8.3.1 To keep Housing Policy Committee up to date on developments in social housing regulation.

8.3.2 To inform the Committee about their role in monitoring compliance against the proposed Consumer Standards.

8.3.3 To discharge the Committee's oversight role with respect to RSH expectations.

8.4 **Alternatives Considered and Rejected**

8.4.1 No other options were considered as compliance with the regulatory standards and the Ombudsman Complaints Handling Code is statutory from April 2024.

9. **COMMISSION OF A NEW FURNISHED ACCOMMODATION FRAMEWORK**

9.1 The accommodation manager introduced the report which sought approval for Sheffield City Council to commission a new furnished accommodation framework as outlined in the report.

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

1. Approves the commission of a Furnished Accommodation Framework as outlined and detailed within this report.

9.3 **Reasons for Decision**

9.3.1 This decision will allow us to provide good quality furniture to furnish council homes and provide vulnerable people access to goods to help sustain tenancies and develop thriving communities.

9.3.2 It supports the ability to deliver this service with the service changes meeting service costs and will improve our ability to prevent disruptions in supply through having two nominated contractors for each lot.

9.3.3 Lower purchase prices will also maintain the number of awards that can be granted by the Local Assistance Scheme benefitting more vulnerable impoverished people in the city.

9.3.4 The successful tender and contract awards will benefit vulnerable residents of the city and offer opportunities to develop the Furnished Accommodation Service with other Local Authorities and Registered Social Landlords.

9.4 **Alternatives Considered and Rejected**

9.4.1 Continue with the current purchasing arrangements. The scheduled recommissioning of these suppliers was 2019 and as highlighted in this report has been delayed due to the Covid 19 pandemic. If the current arrangements were left in place this would potentially result in risks in the supply of items with only one appointed supplier for each of the current lots. The current framework is also not compliant with the Public Contracts Regulations 2015, having expired in 2019.

10. **COMMUNITY HEATING METER CONTRACT**

10.1 The Head of Housing Investment and Maintenance introduced the report which sought approval to re-commission a services contract for the management and

administration of meters in properties on the community heating scheme. The current contract will expire in March 2024 and there is no express provision to extend the term. Heat Meters are in all properties across Sheffield which are on the Community Heating Network.

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

1. To approve the commission of a new heat metering contract with a provider to commence no later than March 2024 for a period of 4 years with an estimated value of £1,600,000 as set out in this report.

10.3 **Reasons for Decision**

10.3.1 After considering the nature of this contract and taking on board the essential regulatory compliance/ value for money requirements, the best option for the Council is to commission the contract using a compliant public sector procurement procedure. This will enable the Council to continue to provide essential services to manage and maintain our heat metering services. The procurement of the contract will ensure the Council is operating in accordance with the Public Contract Regulations 2015 and achieving best value in its procurement of the services.

10.4 **Alternatives Considered and Rejected**

10.4.1 **Do nothing** – this is not an option as the Council has the ongoing requirement to maintain heat meters. The current contract is due to expire on 1st March 2024, and the Council are under a duty to procure the contract pursuant to the Public Contract Regulations 2015 and the Councils Contract Standing Orders.

Self-Deliver - this is not an option; the Council has neither the capacity or expertise to deliver these goods and services.

Extend existing contract – this is not an option as the existing contract does not have an option to extend, and the Council must re-tender the contract in accordance with the Public Contract Regulations 2015.

11. HOUSING POLICY COMMITTEE SAVINGS AND PRESSURES 2024 - 25

11.1 The Director of Housing and Neighbourhood Services introduced the report which provided Members with an update on the budget setting process for the revenue budgets within the remit of the Housing Policy Committee. It specifically set out details of the pressures facing the Housing Policy Committee in 2024/25 and asked Members to consider how to mitigate those pressures in meeting their obligations to recommend a balanced budgetary position to the Strategy and Resources committee. The report also included proposals for endorsing a rent increase for Council tenants to the Strategy and Resources committee and subsequently Full Council in February 2024.

11.2 The meeting went into closed session to discuss matters regarding the closed part of the report.

11.3 The meeting was opened back up to formally agree the recommendations

outlined in 11.4. Limb 3 of the recommendation was agreed to be amended to add the additional wording of: 'Notes and endorses for onward work by officers the proposal for'.

11.4 **RESOLVED UNANIMOUSLY:** That the **Housing** Policy Committee:-

1. Notes the Housing Revenue Account and Housing General Fund savings proposals/mitigations as set out in this report and that they will be presented to the Strategy and Resources Committee as part of the Council's budget for 2024/25.
2. Request a further report on the Housing Revenue Account Business plan at their December meeting with details of the full capital and revenue expenditure proposals for 2024/25.
3. Notes and endorses for onward work by officers the proposal for a 7.7% rent increase for council tenants in line with the government's Rent Standard and acknowledge that the final decision on council housing rents will be taken at the Full Council in February.

11.5 **Reasons for Decision**

11.5.1 Members are asked to note the unsustainable financial position highlighted by the medium-term financial analysis presented to Strategy and Resources Committee in September 2023. This report and its recommendations, sets out the scale of the challenge ahead, the limited resources available and the difficult decisions that now need to be taken to deliver a balanced HRA and HGF budget for 2024/25.

11.6 **Alternatives Considered and Rejected**

11.6.1 The Council is required to both set a balanced HRA and GF 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

14th December 2023

Report of: Director of Policy and Democratic Engagement

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;

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	Regulating The Supported Accommodation Sector
Referred from	Full Council 1st November 2023
Details	Resolves to ask the Housing Policy Committee to:- (i) engage with Government consultation and consider supporting the introduction of a SA licensing scheme in Sheffield; (ii) consider investigating whether the largest exempt accommodation providers are providing quality support for vulnerable

	<p>people, and value for money for Sheffield taxpayers;</p> <p>(iii) consider whether to introduce a policy to require future tendered services to avoid referring into non-registered exempt supported accommodation where possible; and</p> <p>(iv) consider writing to the Government requesting reform to Housing Benefit subsidy regulations to remove this financial burden</p>
Commentary/ Action Proposed	A detailed report is to be presented to the HPC in the new year regarding, the provision of supported accommodation for homeless and, the use of exempt accommodation following the issues raised at Full Council.

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
NEW: Selective Licensing Scheme Closure Report	March 2024	Private Housing Standards seek to update the Housing Policy Committee and members of the public on the findings of the scheme following its completion.
MOVED: Conditions of Tenancy	January 2024	Item moved from December 2023 to January 2024
MOVED: Update of the Tenant and Leaseholder Engagement Strategy	January 2024	Item moved from December 2023 to January 2024
MOVED: Update on Housing Subsidy Loss	January 2023	Item moved from December 2023 to January 2024

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 5 2023	14 December 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) 	<i>(re: decisions)</i> Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	<i>(re: decisions)</i> Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> This Cttee Another Cttee (eg S&R) Full Council Officer
Housing Revenue Account Business Plan	Consideration of planned financial pressures to achieve a balanced Business Plan (including the 5-year capital programme)	Janet Sharpe	Referral to decision-maker	Prior work with Members through briefings	Consultation with tenants on Business Plan options	Strategy and Resources
HNS and Repairs Performance Reports	Quarterly overview of HNS and Repairs Service performance (including Capital Programme and	Janet Sharpe Tom Smith	Post-decision (service performance/ monitoring)	N/A	Performance is shared with tenants through newsletters, the	This Committee

	Stock Increase Programme updates)				website and tenant meetings	
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Work Programme</i> • <i>National Policy and Regulation responses</i> • <i>[any other committee-specific standing items eg finance or service monitoring]</i> 					
2023/34 Q3 Budget Monitoring Report	Approval of Budget Monitoring Report	Jane Wilby	Post-decision (service performance/ monitoring)	N/A	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	N/A

Meeting 5 2023	11 January 2024	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> 	<i>(re: decisions)</i> Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	<i>(re: decisions)</i> Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> • This Cttee • Another Cttee (eg S&R) • Full Council • Officer

Older Persons Independent Housing Living Strategy	5-year strategy setting out Sheffield's strategic approaches for helping our growing older population to live independently in their own homes across all housing tenures.	Suzanne Allen	Decision	Yes; written briefings, all member briefings	Creative use of online engagement channels; working with VCF networks; stakeholder reference groups; formal and informal discussion groups	This Committee
Powers and resources to protect migrants from discriminatory housing conditions	Housing Policy Committee are asked to reaffirm Sheffield as a City of Sanctuary and review the powers and resources to in place to protect migrants from discriminatory housing conditions	Janet Sharpe and Beth Storm	Post-decision (service performance/ monitoring)	Yes; written briefings, all member briefings	N/A	This Committee
Conditions of Tenancy	An update on minor changes to the current Conditions of Tenancy	Janet Sharpe	Decision	Prior work with Members through briefings	Through a range of tenant consultation	This Committee
Update of the Tenant and Leaseholder Engagement Strategy	Report updating Committee on arrangements for tenant involvement and empowerment and approval of revised strategy	Janet Sharpe	Decision	Through Knowledge Briefings and LACs	Through a range of tenant consultation	This Committee
Housing Repairs Policy	Approval of a revised Repairs Policy for council housing tenants	Tom Smith	Decision	Through Knowledge Briefings and LACs	Through a range of tenant consultation	This Committee
Standing items	<ul style="list-style-type: none"> <i>Public Questions/ Petitions</i> 					

	<ul style="list-style-type: none"> • <i>Work Programme</i> • <i>National Policy and Regulation responses</i> • <i>[any other committee-specific standing items eg finance or service monitoring]</i> 					
Revenue Finance Monitoring Report	Approval of Revenue Finance Monitoring Report	Jane Wilby	Post-decision (service performance/ monitoring)	N/A	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	N/A

Meeting 6 2023	21 March 2024	Time				
Topic	Description	Lead Officer/s	Type of item	(re: decisions) Prior member engagement/ development required (with reference to options in Appendix 2)	(re: decisions) Public Participation/ Engagement approach (with reference to toolkit in Appendix 3)	Final decision-maker (& date)
HNS and Repairs Performance Reports	Quarterly overview of HNS and Repairs Service performance (including Capital Programme and Stock Increase Programme updates)	Janet Sharpe Tom Smith	Post-decision (service performance/ monitoring)	N/A	Performance is shared with tenants through newsletters, the website and tenant meetings	This Committee

Net-Zero Roadmap - for existing public and private homes	Consideration of plans for achieving Net Zero across SCC homes	Nathan Robinson	Decision	Yes	TBC	This Committee
Asset Management Strategy	Approval of the Council Housing Asset Management Strategy	Janet Sharpe	Decision	Through Knowledge Briefings and LACs	Through a range of tenant consultation	This Committee
Selective Licensing Scheme Closure Report	Update on the findings of Selective Licensing scheme operating in areas on and around London Road, Abbeydale Road and Chesterfield Road	Catherine Hughes	Post-decision (service performance/ monitoring)		N/A	This Committee
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Work Programme</i> • <i>National Policy and Regulation responses</i> • <i>[any other committee-specific standing items eg finance or service monitoring]</i> 					
2023/34 Q4 Budget Monitoring Report	Approval of Budget Monitoring Report	Jane Wilby	Post-decision (service performance/ monitoring)	N/A	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	N/A

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"> • <i>Decision</i> • <i>Referral to decision-maker</i> • <i>Pre-decision (policy development)</i> • <i>Post-decision (service performance/monitoring)</i> 	<i>(re: decisions)</i> Prior member engagement/development required <i>(with reference to options in Appendix 2)</i>	<i>(re: decisions)</i> Public Participation/Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> • This Cttee • Another Cttee (eg S&R) • Full Council • Officer
Approval of a new Housing Strategy for the City	Consideration of a new Housing Strategy for the City following significant consultation and policy development	Georgina Parkin	Decision	Significant engagement with Members through Task and Finish	Creative use of online engagement channels; working with VCF networks; stakeholder reference groups; formal and informal discussion groups	This Committee

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.



Report to Policy Committee

Author/Lead Officer of Report: Philip Gregory,
Director of Finance and Commercial Services

Tel: +44 114 474 1438

Report of: *Philip Gregory, Director of Finance & Commercial Services*

Report to: *Housing Policy Committee*

Date of Decision: *14th December 2023*

Subject: *2023-24 Q2 Budget Monitoring Report*

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 General Fund Revenue and Housing Revenue Account outturn position for 2023/24 as at Quarter 2.

Recommendations:

The Committee is recommended to:

Note the updated information and management actions on the 2023/24 Revenue Budget Outturn as described in this report.

Background Papers:
[2023/24 Revenue Budget](#)

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: Philip Gregory, <i>Director of Finance and Commercial Services</i>
		Legal: <i>Sarah Bennett, Assistant Director, Legal and Governance</i>
		Equalities & Consultation: <i>Adele Robinson, Equalities and Engagement Manager, Policy, and Performance.</i>
		Climate: n/a
<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	SLB member who approved submission:	<i>Philip Gregory, Director of Finance and Commercial Services</i>
3	Committee Chair consulted:	<i>Cllr Zahira Naz, Chair of the Finance Committee</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>Philip Gregory</i> <i>Jane Wilby</i>	Job Title: <i>Director of Finance and Commercial Services</i> <i>Head of Accounting</i>
Date: 30 th November 2023		

1. PROPOSAL

1.1. This report provides an update on the current outturn position for Sheffield City Council's revenue budget for 2023/24.

2023-24 Q2 Financial Position by Directorate

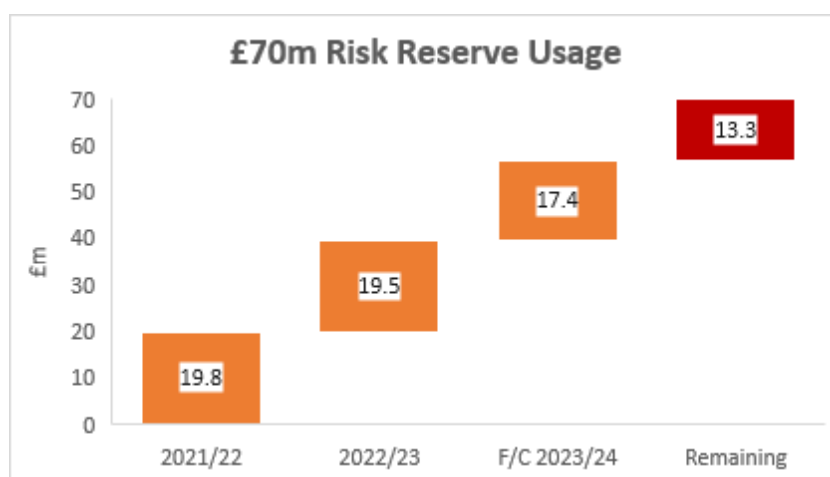
1.2. At the end of the second quarter of 2023-24, the Council's revenue budget shows a forecast overspend of £17.4m. This was a movement of £200k from the previous quarter's outturn position.

Full Year £m	Q2 Outturn	Q2 Budget	Q2 Variance	Q1 Variance	Move- ment
Neighbourhood Services	149.2	145.9	3.3	3.2	0.1
Adults	146.8	143.4	3.4	3.5	(0.1)
Children's	138.9	130.1	8.8	8.7	0.0
City Futures	49.1	48.2	1.0	0.6	0.3
Public Health & Integrated Commissioning	14.2	12.4	1.8	(0.2)	2.0
Strategic Support	14.1	9.7	4.4	4.7	(0.3)
Corporate	(494.9)	(489.7)	(5.2)	(3.0)	(2.2)
Total	17.4	(0.0)	17.4	17.6	(0.2)

1.3. This overspend is due to a combination of factors. Agreed Budget Improvement Plans ("BIPs") are not forecast to fully deliver within the year. There are underlying cost and demand pressures faced by services that are partially offset by one-off items. These "one-offs" consist of grant income, draws from specific reserves or provisions and income from central government or external sources.

Full Year Variance £m	One-off	BIPs	Trend	Total Variance
Neighbourhood Services	(4.0)	2.5	4.8	3.3
Adults	(9.9)	2.7	10.7	3.4
Children's	(3.9)	4.0	8.8	8.8
City Futures	0.5	0.4	0.0	1.0
Public Health & Integrated Commissioning	0.0	0.0	1.8	1.8
Strategic Support	(0.2)	0.0	4.6	4.4
Corporate	0.0	0.0	(5.2)	(5.2)
Total	(17.5)	9.6	25.4	17.4

1.4. In 2021/22, the Council set aside £70m of reserves to manage the financial risks associated with delivering a balanced budget position. Overspends against budgets in 2021/22 and 2022/23 have meant we have drawn almost £40m from this reserve already leaving just over £30m to manage any future budget deficits. If we overspent by £17.4m as this current forecast outturn position suggests, just £13m would be left to mitigate future budget pressures.



1.5. 2023-24 Q2 Financial Position by Committee

1.5.1. The major budget risk areas are in Childrens & Adults Social Care and in Homelessness services:

Full Year £m	Q2 Outturn	Budget	Q2 Variance	Q1 Variance	Move- ment
Adult Health & Social Care	155.4	152.3	3.1	3.2	(0.1)
Communities Parks and Leisure	47.4	46.6	0.8	0.3	0.5
Economic Development & Skills	10.9	10.9	(0.0)	0.1	(0.1)
Education, Children & Families	142.9	132.1	10.9	8.9	2.0
Housing	11.2	8.1	3.2	3.2	(0.0)
Strategy & Resources	(459.4)	(460.0)	0.6	3.1	(2.5)
Transport, Regeneration & Climate	43.1	43.1	(0.0)	(0.4)	0.4
Waste & Street Scene	65.8	66.9	(1.1)	(0.8)	(0.3)
Total	17.4	(0.0)	17.4	17.6	(0.2)

1.5.2. In 22/23, the Council's overspend improved by over £14m from the first quarter's forecasts to final outturn. This was mainly due to additional income received rather than underlying improvements in budgets and cost reductions. A big contributor to this was the Government's £500m discharge fund announced in November 2022.

Many underlying budget issues in social care services still remain and this is reflected in the current forecast position. Following the chancellor's Autumn Statement, our expectation is that no further funding will be available for local government. Services must continue to work hard to deliver within the budgets available and work pro-actively to deliver on the savings we have committed to.

1.5.3. Most of the overspend is due to underlying cost and demand pressures in services. We estimate that £26m is embedded in the baseline costs but is somewhat mitigated by one-off income, this includes the in-year social care grant:

Full Year Variance £m	One- off	BIPs	Trend	Total Variance
Adult Health & Social Care	(9.9)	2.7	10.3	3.1
Communities Parks & Leisure	0.0	0.2	0.6	0.8
Economic Dev & Skills	0.0	0.0	(0.0)	(0.0)
Education, Children & Families	(3.9)	4.0	10.9	10.9
Housing	(1.7)	0.2	4.7	3.2
Strategy & Resources	(2.0)	2.2	0.4	0.6

Transport, Regen & Climate	0.0	0.1	(0.2)	(0.0)
Waste & Street Scene	(0.5)	0.3	(0.9)	(1.1)
Total	(18.0)	9.6	25.9	17.4

1.5.4. Balancing the General Fund 2023/24 budget was only possible because the Council identified £47.7m of savings:

General Fund Budget Improvement Plans (in £m)

Committee	Total Savings	Financial Savings Deliverable in Year	In Year Gap	Financial Savings Deliverable Next Year (Slippage)	Undeliverable Savings
Adult Health & Social Care	31.6	28.9	2.7	3.3	0.6
Comm, Parks & Leisure	2.0	1.9	0.2		0.2
Economic Dev & Skills	0.5	0.5	0.0		0.0
Ed, Children & Families	6.9	2.9	4.0	0.3	3.6
Housing	0.6	0.5	0.2		0.2
Strategy & Resources	4.1	1.9	2.2	2.1	0.2
Transport, Regen & Climate	0.8	0.7	0.1		0.1
Waste & Street Scene	1.1	0.8	0.3		0.3
Grand Total	47.7	38.1	9.6	5.7	3.9
Delivery %		80%		12%	8%

The current forecasts show £9.6m savings plans are undeliverable this year. This represents an in-year delivery rate of 80% against target. A further 12% of targeted savings will be made in 24/25 leaving just 8% undeliverable.

In 22/23, less than 65% of savings targets were delivered. Whilst we are improving upon overall delivery performance, we are still falling short of targets meaning further draws could be required from our financial contingency reserve to meet these overspends if they are not proactively managed and mitigated. Delivering in year budgets must be a key focus for all services for the Council to retain financial sustainability.

1.5.5. Inflation is continuing to fall; from April 2023 CPI at 7.8% to 6.3% in September (month 6). This fall in inflation does not mean that our cost base will now reduce, higher costs are now embedded in baseline expenditure. There is an increased demand for services alongside cost pressures in social care, home to school transport and homelessness services.

1.6. Key Committee Overspends:

1.6.1. **Adult Health and Social Care are forecast to overspend by £3.1m** The high cost of packages of care put in place during covid increased our baseline costs and this carries into 23/24. A huge amount of work has been done as part of an investment plan to tackle the underlying issues. One off funding has mitigated the position this year leaving a £0.5m overspend in the purchasing budgets. Work continues on the package reviews to reduce the baseline costs for the future. Recovery work is underway including establishment of Task & Finish groups and the development of business cases around invest to saves including focus on enablement, day services, reviewing high cost 1 to 1 support and maximising income.

The main area of overspend in the service now sits in staffing budgets. Service improvements in the Short -Term Intervention Team (STIT) are underway to deliver a stable position.

-
- 1.6.2. **Education, Children and Families are forecast to overspend by £10.9m** The key overspends in the service relate to placements with external residential placements a particular issue which are forecast to exceed the previous year's costs by £6.6m. The average placement cost is £5,400 per week but due to a limited number of places in the city, placements for the most complex children can cost a much more. Actions are being taken to ensure that the right costs for placements are being met by all elements including education and where possible health. High-cost placements are also being reviewed.
- The savings proposal for £1.6m to increase fostering placements this year is forecast to not be delivered. Marketing is taking place, but our number of foster carers remains static. Nationally this has been an issue since the pandemic as older foster carers decided to exit the market and there has not been the like for like recruitment to new foster carers.
- Further demand in home to school transport costs are forecast to create a £3m overspend against budgets this year. Whilst not included in the month 6 position, the new school year has increased this overspend with a further 89 children now requiring transportation to school. Sheffield City Council are now supporting over 2,360 children with transportation to school, this has increased by almost 1,000 children in 4 years. An overarching review of this area will commence in 2024.
- Integrated Commissioning budgets are forecast to overspend by £2m in recognition of the unachieved saving from 2022/23 relating to leveraging additional funding from Health partners.
-
- 1.6.3. **Homelessness support in temporary and exempt accommodation is forecast to cost the Council £8.4m** The Government does not fully subsidise all housing benefit payments made by the Council even though it sets the rules that determine the amount the Council has to pay. In 2022/23, the Council incurred a loss of £5.9m as a result of the legislation relating to temporary homelessness and supported accommodation. The Council is essentially bridging the gap between the amount the accommodation costs to procure and the amount we are able to recover via housing benefits.
- In 2023-24, this is forecast to cost the Council £4.9m for temporary accommodation and £3.5m for supported accommodation. The shortfalls are split between the Housing General Fund and Strategy and Resources budgets respectively.
-
- 1.6.4. This current forecast in-year overspend must be urgently managed and mitigated to avoid the risk that the Council has to look to our available financial contingency reserve (£30m) to balance at year end. Maintenance of a prudent level of contingency reserves is critical to ensure stability and sustainability for 2024/25 onwards.

The Budget Implementation Group

- 1.6.5. **A working group has been set up to drive improvements in budget delivery** A senior officer working group has been established to help drive delivery of the budget. The purpose of the Budget Improvement Group (BIG) is to improve the delivery of the Council's annual Revenue Budget (both General Fund and Housing Revenue Account) and in particular the delivery of the Budget Improvement Plans (BIPs). It will look to facilitate Council wide learning. The group is jointly chaired by the Director of Finance and Commercial Services and the Chief Operating Officer. The group has a nominated core member from each Directorate: Adults, Children's, City Futures, Neighbourhoods and Strategic Support Services.
-

Transformation Funding

- 1.6.6. **The Council identified £4m to support transformation activity** As part of 2023-24 budget setting, the Council identified a £4m fund that would be used to support programmes of change in the organisation, expedite the delivery of savings plans or support where delivery of savings has become "stuck". The "BIG" group has provided advice, challenge, and recommendations for allocation of the transformation funding to the Council's Performance and Delivery Board.

In August 2023, the Performance & Delivery board approved bids to support delivery of programmes in Adult Social Care, Housing, Children's services, ICT, HR, and Organisational Strategy to build upon the Future Sheffield programme. These key projects will help stabilise the organisation and bring budgets back to a steady footing for the future. Each programme of work will be monitored, and progress reported to the Council's Performance & Delivery board to ensure activity remains on track. Overall performance will be reported to S&R committee and finance committee as part of in-year budget monitoring, with relevant policy committees overseeing progress on programmes in their areas.

Medium Term Financial Analysis (MTFA)

- 1.6.7. **The MTFA presented to S&R Committee on 7th September detailed committee budget savings targets** The Council is facing a challenging financial position. The Strategy and Resources Committee on 5th September received the Council's Medium-Term Financial analysis, highlighted the financial pressures facing the Council over the coming 4 years and the potential gap of £61.2m in resources.
- Each Committee was set a target to ensure a balanced budget for 2024/25, which requires them to find mitigations for any service pressures over above the additional resources allocated to them. The purpose of this is to allow the Council to achieve a balanced position for 2024/25 by the time the Strategy and Resources meets on 21st December 2023.
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Timetable to 2024/25 Budget Setting

- 1.6.8.
- Services have been developing solutions to bridge the budget gap for 2024/25 and brought forward proposals recent policy committee meetings.
 - All Policy Committees will make their final decisions in December.
 - Consultation on the existing proposals and overall budget will need to take place.
 - Further budget balancing options will need to be developed.
 - The impact of the Local Government Financial Settlement to be assessed and reported.
 - On December 21st 2023, Strategy and Resources will be asked to make a recommendation on savings to date to Council.
 - On February the 21st 2024, Strategy and Resources will be asked to recommend the full Budget Report to Council
-

23-24 Q2 Committee Budget Outturn Position

1.7. Housing Committee - General Fund Overspend of £3.2m & Housing Revenue Account overspend of £1.9m

1.7.1.	The Housing General Fund is forecast to overspend by £3.2m against budget.	Full Year £m	Outturn	Budget	Variance
		Housing General Fund	11.1	7.9	3.2
		Regeneration And Development (Housing Growth - General)	0.2	0.2	(0.0)
		Total	11.2	8.1	3.2
		The majority of the overspend in the Housing General Fund relates to homeless temporary accommodation and the loss the Council incurs as a result of Government subsidy rules.			
1.7.2.	An increase in demand for Supported Accommodation & Housing Benefit Regulations have created a budget problem for the Council	<p>The Government does not fully subsidise all housing benefit payments made by the Council even though it sets the rules that determine the amount the Council has to pay.</p> <p>In 2022/23, the Council incurred a loss of £2.8m as a result of the legislation relating to temporary homelessness accommodation. The Council is essentially bridging the gap between the amount the accommodation costs, in this case using hotels and B&Bs, and the amount we are able to recover via housing benefits from DWP, "subsidy loss".</p> <p>In 2023/24 based on current demand and costs, the forecast subsidy loss is expected to reach £4.9m. There is no budget to support this. The in-year position has been mitigated by the use of prior year Homelessness grants totalling £1.7m, the team are working through the detail to ensure we are maximising use of grant funding towards the issue and clarifying eligibility on a number of other funding streams. Use of this funding could create pressures on staffing budgets in the next 2 years, but teams are looking for ways to resolve this. This particular mitigation is a one-off and is not an option for future years. Urgent action must be taken to reduce the loss incurred by the Council in this area.</p>			
1.7.3.	The Housing Solutions team are developing short- and long-term strategies to deal with the problems	<p>Ultimately, we need to stop using hotels and B&Bs as Temporary Accommodation for a variety of reasons, not just because of the financial cost. The service is developing a Temporary Accommodation strategy that will set out our approach, and options including commissioning models or recommendations for policy decisions.</p> <p>The situation has arisen post lockdown and following the introduction of the Homelessness Reduction Act in 2017 coupled with the shortage of affordable housing in the city and a limited range of options, our use of hotel and B&B accommodation has reached an unsustainable and unaffordable level. The increase in Homelessness is a national issue and there are now more than 100,000 households in Temporary Accommodation which is the highest level for 20 years.</p>			

Some of the immediate measures in place to contain the problem include:

- **VOIDS** – working with the recently established team in housing to ensure we are utilising our stock to maximum effectiveness,
- Investigating **private sector** capacity and alternative delivery models to better use private sector rental as interim housing options
- Introduction of temporary **new management** resource in the housing solutions team focussing on strengthening process and challenge
- Recruiting **additional temporary staff** to deal with backlogs of cases and increasing the number of staff in the prevention team,
- Encouraging **partnering** of exempt supported accommodation providers with registered providers and social landlords to maximise claim eligibility.
- Commissioned end-to-end independent **process reviews** of placements to ensure rapid re-housing is taking place and challenging the robustness process and placement decisions,
- Reviewing, and moving on, **longer term placements in temporary and supported accommodation** to provide more cost-effective options to those at immediate risk of hotel accommodation,
- Developing business cases to strengthen the bolster resource in the **claims review team**,
- Working with **other Authorities** to understand potential localised solutions within the sub-region.

In the longer term, other actions are also underway:

- Current construction costs have made planned new TA schemes unaffordable in their current form. **Value engineering** work on capital investment opportunities for Temporary Accommodation are underway to find ways to make investments financially viable.
- Becoming more **creative** with our acquisition approach including repurposing alternative accommodation or leasing opportunities
- Working with **partner organisations**, including the South Yorkshire Housing Partnership to expand housing that is available
- Focus towards improving earlier **prevention** levels and focus on prevention activities including supporting residents to maintain tenancies and better targeted support.
- Our work with the **Royal Foundation** offers greater opportunities and access to resources with the aspiration to eliminate family homelessness.

1.7.4.	There is further demand risk to	The Home Office are accelerating decisions on backlogs of asylum cases, and this is likely to start being felt in the next month. This will mean more people will be presenting as
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Housing General Fund budgets

homeless following positive decisions in addition to the usual flow. This would result in a higher than usual number of people who have No Recourse to Public Funds (NRPF) with negative decisions. Partner organisations are signposting to Supported Exempt Accommodation (SEA). Both are likely to add pressures to the use of hotels and SEA. We are working with Migration Yorkshire and Home Office to try and understand the scale of the issue and what the impact will be and looking for any alternative options.

1.7.5.	The Housing Revenue Account is forecast to overspent by £0.5m	Full Year £m	Outturn	Budget	Variance
		Net Income – Dwellings	(160.1)	(161.6)	1.4
		Other income	(7.7)	(6.9)	(0.8)
		Repairs & Maintenance - Responsive repairs	50.2	46.9	3.3
		Repairs & Maintenance - Other	1.3	1.9	(0.6)
		Depreciation	25.0	25.0	0.0
		Tenant Services	54.5	55.9	(1.5)
		-Council Tax	1.9	1.9	0.0
		-Disrepairs	4.7	3.9	0.7
		Interest on borrowing	12.9	13.6	(0.7)
		Contribution to Capital Programme	17.5	19.3	(1.9)
		Total	0.0	0.0	0.0
1.7.6.	The key variance is rent loss of £1.4m from vacant properties	£1.4m of the variance relates rent loss from vacant properties including an undelivered BIP saving to implement measures to improve void rent loss. A multi-functional voids team is now in place to address this. This is offset by (£334k) lower bad debt provision than budget.			
1.7.7.	Other income is £800k higher than anticipated	Furnished accommodation service charges have overachieved by over £430k against budgeted levels and the service has benefitted from additional interest of £470k			
1.7.8.	Repairs and maintenance costs are £3.3m over budget	There are overspends in responsive repairs of over £3.3m. Key variances include overspends of £4.6m in subcontractor costs due to workflow increases in voids and working at height, £1.28m on equipment and materials, £1.7m agency costs, offset by (£3.6m) forecast capital income recharges mainly relating to firestopping, voids and working at height. The total overspend is largely represented by the unachieved BIP as show in 1.11.12.			
1.7.9.	Tenant Services is forecast to underspend by £1.5m	There are a variety of overspends in tenant services largely offset by lower recharges, additional capital management fee income £346k and vacancies in fire safety £407k, Asset Management Programme £231k and Housing Employability Project £227k, Tenancy enforcement team £284k and communal areas £229k.			
1.7.10.	Disrepair claims are continuing to	Legal fees on disrepair cases are still high, partly due to an unachieved BIP, though an improvement plan is in place to reduce claims and further cost escalations.			

**cause
overspends**

1.7.11. **Capital financing costs are lower than budget** HRA capital financing costs i.e., the interest payable on debt are lower than budget by £700k.

1.7.12. **Budget Savings (BIPS) £m**

Service	Financial RAG	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
HOUSING GENERAL FUND	Red	0.2		0.2		0.2
	Green	0.3	0.3	0.0		0.0
HOUSING GENERAL FUND Total		0.4	0.3	0.2		0.2
REGENERATION & DEVELOP	Green	0.2	0.2	0.0		0.0
REGENERATION AND DEVELOPMENT Total		0.2	0.2	0.0		0.0
HOUSING REVENUE ACCOUNT	Red	5.0	1.6	3.4	0.2	3.2
	Green	17.8	17.8	0.0	0.0	0.0
HOUSING REVENUE ACC Total		22.8	19.4	3.4	0.2	3.2
Grand Total		23.5	19.9	3.5	0.2	3.3

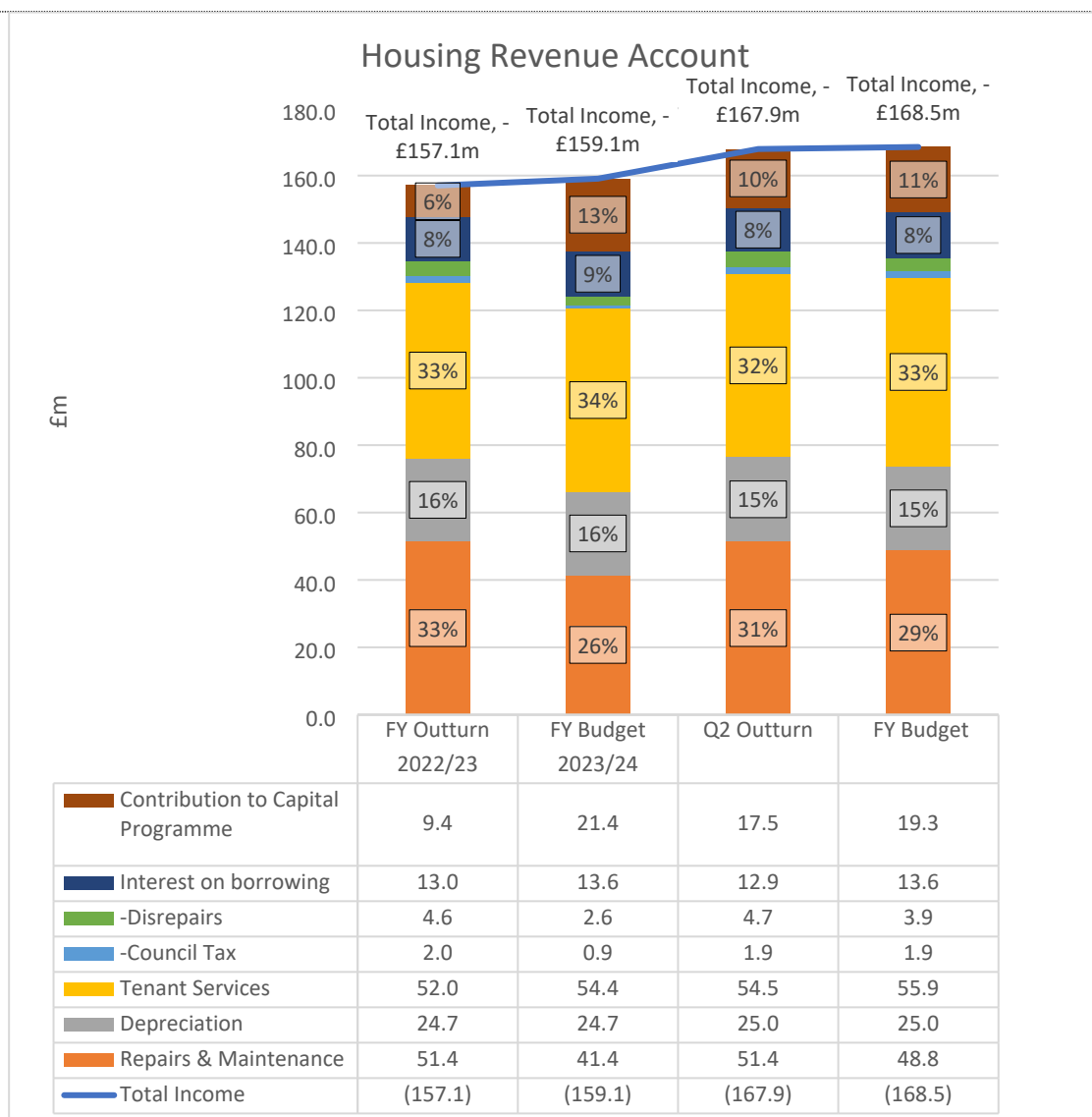
Of the £23.5m savings targets in place for 2023/24, £19.9m are forecast to be delivered. The £0.2m saving in the Housing General Fund relates to temporary accommodation which given the context of current budget pressures is not achievable this year.

Other red rated savings relate to the HRA, the main shortfall with repairs & maintenance:

Description	Total Savings	Savings Deliverable in Year	In Year Gap
Improvement in disrepair management	1.2	0.9	0.3
Improvement in void rent loss	1.8	0.1	1.6
Introduce recharges to tenants	0.3	0.1	0.3
Reduction in sub-contractor usage and a review of overheads in (RMS)	1.5	0.5	1.0
Review of Community Buildings	0.2		0.2
Total	5.0	1.6	3.4

1.7.13. The below chart shows the breakdown of the HRA in comparison to the prior year.

Uplifts to budgets in disrepairs, council tax, tenant services and most significantly repairs and maintenance should make contributing to the capital programme more achievable this financial year.



1.7.14.

Community heating account underspent by £0.3m

Full Year £m	Outturn	Budget	Variance
Income	(4.8)	(4.4)	(0.4)
Expenditure	4.4	4.3	0.2
Total	(0.4)	(0.1)	(0.3)

1.7.15.

Overspends in the HRA impact the capital programme

The forecast outturn position results in a reduced contribution to the future programme. A sustained improvement in revenue budgets in 2023/24 must be delivered to ensure the long-term capital programme and HRA business plan remains affordable.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The recommendations in this report are that the Policy Committee notes their 2023/24 budget forecast position and takes action on overspends.

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 The primary purpose of this report is to provide Members with information on the City Council's revenue budget monitoring position for 2023/24.

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 To record formally changes to the Revenue Budget.

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Report to Policy Committee

Author/Lead Officer of Report: Nesreen Lawson

Tel: 0114 474 1241

Report of: Executive Director – Operational Services

Report to: Housing Policy Committee

Date of Decision: 14th December 2023

Subject: Housing Capital Programme – 2023/24 Quarter 2 update on the approved 5 Year Programme

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 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:

The Housing Capital Programme brings together the 5-year Capital Investment and Housing Growth proposals for Council Housing, setting out the priorities for current and future investment. The purpose of these plans is to continue to deliver Decent Homes, tenants' priorities and improving the quality of homes and neighbourhoods.

The Housing Capital Programme is split into three distinct areas of activity; Council Housing Investment (existing stock and assets), the Council's Stock Increase Programme, funded from the Council's Housing Revenue Account, as described in the annual HRA Business Plan and the Non-HRA Capital Programme which includes programme management, Homes & Loans to private homes and investment in private homes. The table at item 2.1 show the overall Housing Capital Programme split between Council Housing Investment, Stock Increase and Non-HRA areas of the programme.

The purpose of this report is to provide a quarterly update on progress against the approved 2023/24 Housing Capital Programme. This report will focus on providing an update on expenditure and progress against the 2023/24 Housing Capital Programme position at the end of September 2023 (Quarter 2). The report also provides an update of the 5-year Housing Capital Programme and the final approval of the 2022/23 Housing Capital Programme outturn.

Recommendations:

The Housing Policy Committee members are recommended to:

- Note the 2023-24 Housing Capital Programme forecasting and budget

position at the end of quarter 2.

- Note the update provided for the 5-year capital programme.

Background Papers:

Appendix 1 – Approved 5-year Housing Capital Programme

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>Damian Watkinson</i>
		Legal: <i>Meurig Tiley</i>
		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:	Ajman Ali
3	Committee Chair consulted:	Douglas Johnson
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: Janet Sharpe	Job Title: Director of Housing and Neighbourhood Service
	Date: 14 th December 2023	

1.0 Background

- 1.1 The Housing Capital Programme was approved in February 2023 as part of the Housing Revenue Account (HRA) Business Plan and included in the Council's Corporate Capital Programme that brings together all Sheffield City Council's Capital Programmes for formal approval.
- 1.2 The Housing Capital Programme is a rolling 5-year programme which is part of the Housing Revenue Account (HRA) 30-year Business Plan. The proposals contained within the Investment Programme are subjected to tenant consultation and officer scrutiny to ensure that investment is targeted to achieve key priorities of well maintained, decent, safe and warm homes.
- 1.3 The Housing Investment focuses on a 'fabric first' approach to protect council housing assets, to reduce ongoing and long-term repairs and maintenance obligations and increase tenants' satisfactions with their homes. During 2023, and as part of the refresh work of the investment needs identification for capital works, an area-based investment focus has been undertaken, to reflect local priorities that

are important to residents and tenants. In addition to this, close working arrangements with the Repairs and Maintenance Service are ongoing to align capital and revenue investment in the council housing stock.

- 1.4 Appendix 1 is a summary of the Q2 position against the approved 5 Year Housing Capital Programme.
- 1.5 The refresh of the 5-year Housing Capital programme is undertaken annually with periodic reviews during the course of the financial year.
- 1.6 The full HRA Business Plan including the Capital Programme was approved at Full Council on 20th February 2023. A total 5-year programme of £556.478m including a programme of £106.935m in 2023-24.

2.0 HRA Capital Programme Position at the end of Quarter 2 2023/24

- 2.1 Variations to the programme have been approved since February 2023, following detailed reviews on the HRA capital finance budget available for the 5-year approved capital programme to reflect current market conditions and progress of individual projects contained within the programme. The overall variations have since resulted in a total revised approved Housing Capital Programme of £102.548m and Investment Programme of £40.937m. Details of this are shown in the table below which also indicates the variances in reporting the position at Quarter 1 of 2023/24.

HRA Capital Programme Position - Period 6

HRA Programme Position	2023/24 Full Year	2023/24 Full Year	2023/24 Full Year
	Q1	Q2	VARIANCE
HEATING, ENERGY & CARBON REDUCTION TOTAL	£27,382,732	£17,376,725	£(10,006,007)
H & S ESSENTIAL WORK TOTAL	£11,525,627	£10,570,330	£(955,297)
ADAPTATIONS & ACCESS TOTAL	£2,950,871	£2,950,871	£0
HRA PROGRAMME MANAGEMENT TOTAL	£3,100,000	£3,100,000	£0
WASTE MANAGEMENT & ESTATE ENV TOTAL	£805,127	£100,000	£(705,127)
ENVELOPING & EXTERNAL WORK TOTAL	£12,344,900	£1,583,900	£(10,761,000)
COMMUNAL AREA INVESTMENT TOTAL	£500,000	£50,000	£(450,000)
INTERNAL WORKS TOTAL	£3,835,995	£3,835,995	£0
OTHER PLANNED ELEMENTALS TOTAL	£1,581,642	£931,642	£(650,000)
GARAGES & OUTHOUSES TOTAL	£132,627	£132,627	£0
IT UPGRADE TOTAL	£0	£0	£0
GV MASTERPLAN DELIVERY TOTAL	£249,417	£304,919	£55,502
HRA INVESTMENT NEED 2027/28			£0
COUNCIL HOUSING INVESTMENT TOTAL	£64,408,938	£40,937,010	£(23,471,928)

Stock Increase Programme Position	2023/24 Full Year	2023/24 Full Year	2023/24 Full Year
	Q1	Q2	VARIANCE
ASSET MANAGEMENT DELIVERY TOTAL	£10,899,644	£9,000,803	£(1,898,840)
HOUSING GROWTH DELIVERY TOTAL	£45,746,389	£49,186,674	£3,440,285
STOCK INCREASE PROGRAMME TOTAL	£56,646,032	£58,187,477	£1,541,445

Non HRA Programme Position	2023/24 Full Year	2023/24 Full Year	2023/24 Full Year
	Q1	Q2	VARIANCE
Non-HRA REGENERATION TOTAL	£18,000	£18,000	£0
Non-HRA PROGRAMME MANAGEMENT TOTAL	£377,000	£377,000	£0
HOMES & LOANS TOTAL	£534,758	£639,860	£105,102
PRIVATE HOUSING STANDARDS TOTAL	£0	£0	£0
OTHER CAPITAL WORKS TOTAL	£2,388,915	£2,388,915	£0
NON-HRA SUMMARY TOTAL	£3,318,673	£3,423,775	£105,102
(PAND TOTAL)	£124,373,644	£102,548,262	£(21,825,382)

2.2 The HRA Programme total variances shown above are a combination of a number of factors including.

- Project budget allocations that have now been re profiled and allocated into future years.
- approved that have re-profiled budgets in future years (for example the new Roofing Replacement Programme that will be delivered during 2024 to 2029).
- Variances shown within the Stock Increase Programme (for example the approval of project Main Street Hackenthorpe and further budget variations to other existing projects).
- Credited funding to the Non HRA Programme from surplus Sheffield City Council loan funds.

2.3 At the end of Q2 2023-24, the Housing Capital Programme position is shown in the table below:

2023-24 Housing Capital Programme Position	Approved	Changes	Proposed
HRA Investment in Council Housing (Themes)	40.937	0.00	40.937
HRA Stock Increase Programme	54.855	3.332	58.187
HRA Programme Subtotal	95.792	3.332	99.124
Non-HRA Programme	3.424	0.00	3.424
TOTAL Housing Capital Investment Programme	99.216	3.332	102.548

2.4 At the end of Q2, 2023/24, the total approved budget for the 2023/24 Housing Investment Programme was £40.937m. The table below identifies the expenditure by level of commitment at Theme level. The levels of commitments illustrate the different stages of delivery for each of the theme programmes at the end of Q2 and set out the total amounts that are currently allocated within the approved housing capital programme.

HRA PROGRAMME POSITION - PERIOD 6 APPROVED BUDGET £40.937m	STAGES OF HRA FULL YEAR 23/24 PROGRAMME			
	Planning/Survey/Feasibility	Design/Procurement	Contract Award/Delivery	Other/Q Number
HEATING, ENERGY & CARBON REDUCTION TOTAL	£0	£2,083,868	£14,986,351	£306,506
H & S ESSENTIAL WORK TOTAL	£314,465	£467,182	£8,320,293	£1,270,578
ADAPTATIONS & ACCESS TOTAL	£0	£0	£2,946,501	£4,370
HRA PROGRAMME MANAGEMENT TOTAL	£0	£0	£0	£3,100,000
WASTE MANAGEMENT & ESTATE ENV TOTAL	£0	£0	£0	£100,000
ENVELOPING & EXTERNAL WORK TOTAL	£0	£239,000	£1,344,900	£0
COMMUNAL AREA INVESTMENT TOTAL	£0	£0	£0	£50,000
INTERNAL WORKS TOTAL	£0	£0	£3,835,995	£0
OTHER PLANNED ELEMENTALS TOTAL	£0	£0	£436,080	£495,562
GARAGES & OUTHOUSES TOTAL	£0	£0	£197,812	£132,627
IT UPGRADE TOTAL	£0	£0	£0	£0
GV MASTERPLAN DELIVERY TOTAL	£0	£0	£304,919	£0
GRAND TOTAL	£314,465	£2,790,050	£32,372,852	£5,459,643

2.5 The following 'pipeline' projects are currently under development and fall within the Housing Investment Programme and project business cases have yet to be submitted, however are anticipated to be so within this financial year. Funding provision for these projects is contained within the Themes set out in the above table.

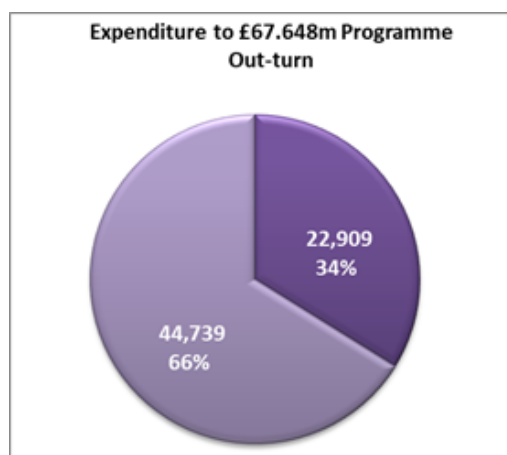
- **Edward Street Flats External Refurbishment:** This project aims to address the ongoing issues with the condition of the roof, gutters, concrete repairs to the communal areas and safety works, waste management

solutions including addressing the bin chutes and window replacement. Energy efficiency and decarbonisation measures are currently being explored to incorporate potential options and solutions into the project scope.

- **Damp and Mould;** work is currently ongoing with the Repairs and Maintenance Service to develop a programme of works to address properties that are the most vulnerable to damp and mould due to construction types, condition of external fabric, insulation and energy efficiency status.
- **Waste and Pest Control Prevention Programme;** A number of our low-rise blocks in the city centre region are currently experiencing problems with excessive exposure to vermin and pests. This programme will support measures to address improved waste management measures including chutes closures and the provision of modern waste and recycling facilities.
- **Ranch Styles flats at Stannington;** this project will look to address damp and mould concerns reported by local residents in these flats.
- **Fire safety doors to flats;** work has commenced on developing a planned approach for the replacement of fire safety doors for all flats and maisonettes doors that are not to current required fire safety standards.

3.0 Expenditure Position at the end of Quarter 2 2023/24

3.1 The total 2023-24 Housing Capital Programme expenditure to the end of September was £22.909m. This represented 34% of the total forecasted programme out-turn of £67.648m. The chart below illustrates this representation.

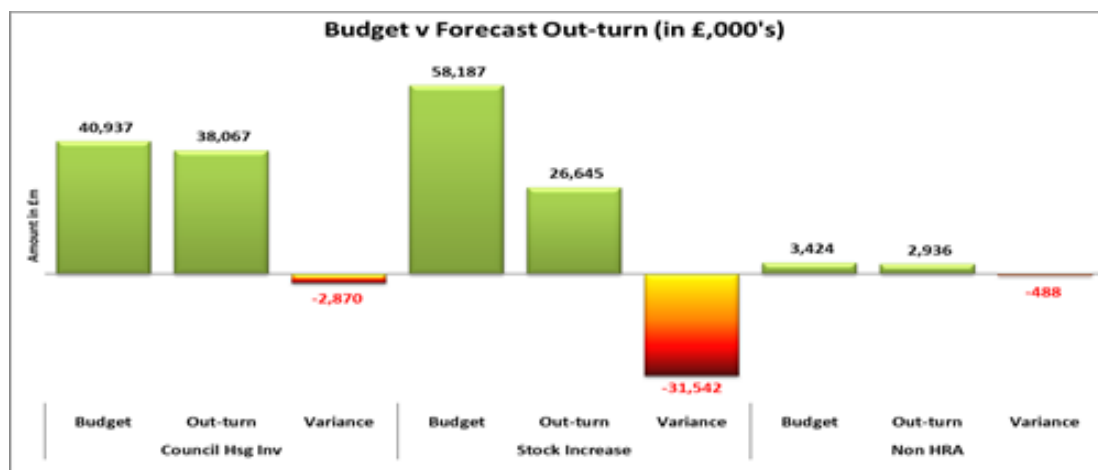


3.2 Forecast Out-turn Position at the end of Quarter 2 23/24

3.3 The Housing Capital Programme forecasted out-turn position at the end of September 2023 was £67.65m. This is (£34.9m) under the proposed programme budget of £102.55m. The majority of the Stock Increase Programme underspend (£31.5m) relates to the Stock Increase programme reprofile work that has been under review and is expected to be submitted for approval at committee during December along with any other slippage requests.

The table below illustrates the forecasted outturn against the approved budget at

the end of Q2 for each of the Council Housing Investment, Stock Increase and Non-HRA areas of the programme.



3.4 The variances for each section of the programme are a combination of procurement (tender savings), programme changes, slippage and updated financial spend profiles.

3.5 The total within Council Housing Investment, the forecast variance is (£2.8m) and mostly related to EWI Non-Traditional (Airey Properties) Phase 2, EWI Non-Traditional 3, Demolition Programme, and Lift Replacements which have experienced project changes and delays.

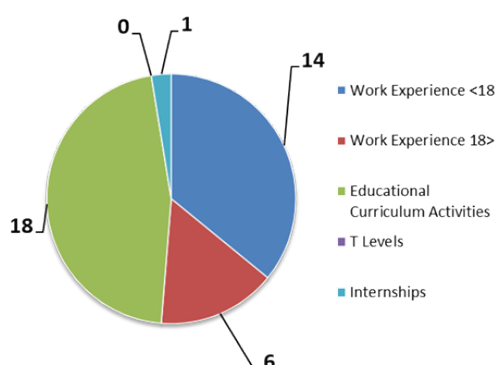
3.6 The Forecasted variance for the Stock Increase programme (£33.542m) relates directly to the ongoing review of the proposals contained within this programme and is subject to a separate update paper as mentioned above.

3.7 The forecasted variance for the Non HRA Programme is currently at (0.488m)

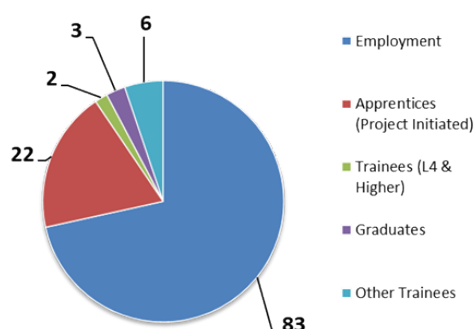
4.0 Employment and Social Value

4.1 The Housing Investment Programme achieves significant wider social value in addition to improvements to the council housing stock. This information is captured by the Council and published periodically. As part of the procurement of the capital programme contracts, a set of requirements are included during the procurement and contract stages for delivering against social value requirements which include supporting local employment and upskilling opportunities (through work experience and apprenticeships). The charts below report on these for Quarters 1 & 2

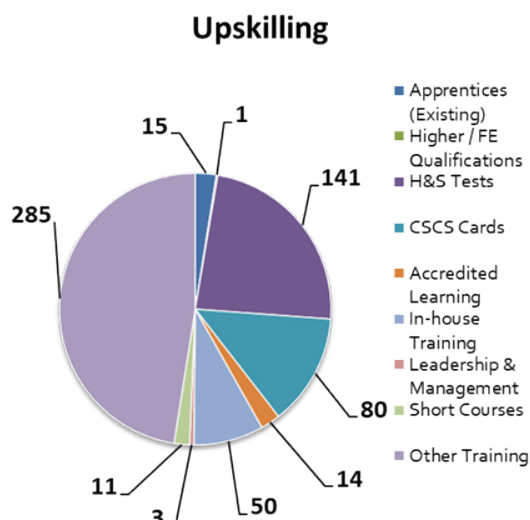
Educational Activities



New Employment



To date during 2023/24, the chart below illustrates local employment upskilling opportunities within the Sheffield area.



5.0 Customer Engagement

5.1 The Housing Investment Programme (Capital) is made up of work areas to ensure we are compliant with regulations, works that will protect the life of our assets and make areas great places to live. Consulting on and planning the capital programme with tenants is a priority for the Housing and neighbourhoods Service. Scrutiny on the delivery of the Housing Investment Programme is managed through tenant governance boards and performance reports.

5.2 Engagement with key stakeholders, including relevant consultation with residents and local members, takes place as part of developing each project proposal contained within the programme through written communication, workshops, and consultations events throughout the lifetime of the projects and programme.

5.3 Meetings are also currently taking place with each of the individual Neighbourhood Teams to identify local priorities within each neighbourhood area. We will report updates on this to Housing Policy Committee as part of the annual the HRA business planning process.

6.0 Improvements to properties – Summary outputs to be achieved during 2023/24

6.1 The definition of outputs, could include (but not necessarily be limited to) the following:

- the number of surveys completed, kitchens, bathrooms, windows, doors installation to a property.
- Adaptations carried out to any particular property may include building of extensions, installation of level access showers, stairlifts, ramps, and/ or any other adapted alterations to a property.
- Roofing works completed per property or block of flats / maisonettes.
- Any enhancement works that lead to the energy efficiency of a home.
- Installation of fire doors, misting units, fire safety remedial works and surveys.

6.2 By the end of September 2023, the following outputs were achieved:

- 1132 Asbestos Surveys undertaken to various council properties across the city.
- 1598 homes received electrical upgrades and are now compliant with the Electrical Safety regulations.
- 245 adaptations were delivered including 60 installations of stairlifts to properties with vulnerable customers.
- 11 Laundry facility upgrades to Older Persons Independent Living schemes.
- High rise reroofing work almost completed at 5 tower blocks - Cornhill, Crawshaw, Wentworth, Adelphi & Martin.

6.3 Further ongoing projects that will yield further outputs during 2023/24 are as following:

- CCTV refurbishment and upgrade scheme did not start until July 2023. The aim of the CCTV refurbishment and new installation programme is to upgrade 43 existing CCTV systems and install 6 new CCTV systems to housing sites across the city. The programme will ensure that the systems are compliant with current regulations and modern technological standards to complete by December 2023 and there are 14 sites to date currently completed.
- The elementals programme had a slow start due to performance issues. A number of management positions within the contractor's structure have been impacted and a new management team has taken over from the regional office. The scheme will deliver new kitchens, bathrooms, and electrical upgrades to hundreds of properties.
- Ongoing Fire Safety works to the 4 high rise blocks at Stannington and Hanover with an anticipated finish in December 2023.
- The external wall insulation phase 2 (EWI 2 Airey repair and insulation) is now on site. It is anticipated that the first round of outputs of the project will be reported at the end of Quarter 4 of 2023/24.
- The external wall insulation phase 3 (EWI 3 – system build properties) commenced on site during June 2023. This is anticipated to complete on site in June 2024 delivering 267 improved and insulated properties to PAS 2035 standards.

6.4 The Gleadless Valley masterplan recently launched with circa £90m of investment to be delivered including 221 new homes, 72 homes remodelled and the remaining stock on the estate being refurbished over the next 10 years as part of a comprehensive programme of regeneration improvements. The Gleadless Valley project team is currently reviewing the overall delivery programme and any significant changes will be subject to further member and tenant scrutiny. This will be reported separately.

7.0. HOW DOES THIS DECISION CONTRIBUTE?

7.1 That the Housing Policy Committee is to note the progress made within Q2 of 2023/24 against the approved position on the Housing Investment Programme.

8.0 HAS THERE BEEN ANY CONSULTATION?

8.1 There has been no consultation on this report other than tenant scrutiny performance reporting. The budget approval process itself for each project/programme contained within the Housing Investment Programme involve significant consultation and engagement with tenants, residents, local members and key stakeholders.

9.0 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

9.1 Equality Implications

9.1.1 There are no direct equality implications arising from this report. It is expected that each individual project will undertake a full Equality Impact Assessment as part of the basis for the development of project details, scope and budget proposals.

9.2 Financial and Commercial Implications

9.2.1 The report provides and update on the current position and at the end of Q2 for the Housing Capital Programme.

9.3 Legal Implications

9.3.1 Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor its budgets throughout the financial year, This report is a financial update report that sets out the position of the Housing Capital Programme. There are no new or additional legal implications arising from the report for consideration. Individual reports on of the three component parts of the Housing Capital Programme being (1) Council Housing Investment, (2) Stock Increase Programme and (3) the Non-HRA Capital Programme should set out any relevant legal implications.

9.4 Climate Implications

9.4.1 There are no direct climate implications arising from this report. It is expected that individual projects will consider climate implications as they develop their project and budget proposals in due course.

9.5 Other Implications

9.5.1 *There are no other implications to consider*

10.0 ALTERNATIVE OPTIONS CONSIDERED

10.1 *No alternative options are considered as part of this update report.*

11.0 REASONS FOR RECOMMENDATIONS

11.1 This report is to provide the Housing Policy Committee members with an update on progress against the 5-year approved Capital programme at the end of Q2 2023/24.

Appendix 1 – Approved 5-year Housing Capital Programme

HRA Capital Programme Position - Position at Period 6

HRA Programme Position	2023/24 Full Year	2024-2028 Programme				5 Year Total FY Budget
	2023/24 FY Budget	2024/25 FY Budget	2025/26 FY Budget	2026/27 FY Budget	2027/28 FY Budget	
HEATING, ENERGY & CARBON REDUCTION TOTAL	£17,376,725	£17,801,534	£10,197,034	£13,450,000	£0	£58,825,293
H & S ESSENTIAL WORK TOTAL	£10,570,330	£19,286,442	£21,880,321	£18,240,654	£0	£69,977,747
ADAPTATIONS & ACCESS TOTAL	£2,950,871	£3,304,730	£5,455,879	£682,553	£0	£12,394,033
HRA PROGRAMME MANAGEMENT TOTAL	£3,100,000	£3,150,000	£3,200,000	£3,250,000	£0	£12,700,000
WASTE MANAGEMENT & ESTATE ENV TOTAL	£100,000	£3,475,127	£3,365,000	£3,515,000	£0	£10,455,127
ENVELOPING & EXTERNAL WORK TOTAL	£1,583,900	£9,553,244	£10,694,757	£11,246,118	£9,714,000	£42,792,019
COMMUNAL AREA INVESTMENT TOTAL	£50,000	£2,950,000	£2,500,000	£2,927,200	£0	£8,427,200
INTERNAL WORKS TOTAL	£3,835,995	£3,733,747	£4,144,146	£5,906,272	£0	£17,620,160
OTHER PLANNED ELEMENTALS TOTAL	£931,642	£1,982,000	£1,332,000	£1,482,000	£0	£5,727,642
GARAGES & OUTHOUSES TOTAL	£132,627	£250,000	£250,000	£250,000	£0	£882,627
IT UPGRADE TOTAL	£0	£0	£0	£0	£0	£0
GV MASTERPLAN DELIVERY TOTAL	£304,919	£8,970,992	£10,963,000	£20,162,399	£0	£40,401,310
HRA INVESTMENT NEED 2027/28	£0	£0	£0	£0	£33,525,000	£33,525,000
COUNCIL HOUSING INVESTMENT TOTAL	£40,937,010	£74,457,815	£73,982,137	£81,112,196	£43,239,000	£313,728,158
Stock Increase Programme Position	2023/24 Full Year	2024-28 Programme				5 Year Total FY Budget
	2023/24 FY Budget	2024/25 FY Budget	2025/26 FY Budget	2026/27 FY Budget	2027/28 FY Budget	
ASSET MANAGEMENT DELIVERY TOTAL	£9,000,803	£2,929,510	£2,979,680	£2,357,053	£2,462,840	£19,729,886
HOUSING GROWTH DELIVERY TOTAL	£49,186,674	£54,522,789	£63,024,767	£42,903,206	£4,644,888	£214,282,324
STOCK INCREASE PROGRAMME TOTAL	£58,187,477	£57,452,299	£66,004,447	£45,260,259	£7,107,728	£234,012,210
Non HRA Programme Position	2023/24 Full Year	2024-28 Programme				5 Year Total FY Budget
	2023/24 FY Budget	2024/25 FY Budget	2025/26 FY Budget	2026/27 FY Budget	2027/28 FY Budget	
Non-HRA REGENERATION TOTAL	£18,000	£18,000	£18,000	£18,000	£18,000	£90,000
Non-HRA PROGRAMME MANAGEMENT TOTAL	£377,000	£377,000	£377,000	£377,000	£377,000	£1,885,000
HOMES & LOANS TOTAL	£639,860	£0	£0	£0	£0	£639,860
PRIVATE HOUSING STANDARDS TOTAL	£0	£0	£0	£0	£0	£0
OTHER CAPITAL WORKS TOTAL	£2,388,915	£2,308,625	£0	£0	£0	£4,697,540
NON-HRA SUMMARY TOTAL	£3,423,775	£2,703,625	£395,000	£395,000	£395,000	£7,312,400
GRAND TOTAL	£102,548,262	£134,613,739	£140,381,584	£126,767,455	£50,741,728	£555,052,769

*Please note the £33.525m identified as "HRA Investment Need 27/28" is not yet part of formally approved program in the Finance System



Report to Policy Committee

Author/Lead Officer of Report:

Janet Sharpe, Director of Housing
Tom Smith, Director of Direct Services

Tel: 0114 2735493

Report of: Ajman Ali, Executive Director, Neighbourhood Services
Report to: Housing Policy Committee
Date of Decision: 14 December 2023
Subject: Housing & Repairs Performance Report (Quarter 2) 2023/24

Type of Equality Impact Assessment (EIA) undertaken	Initial	<input type="checkbox"/> N/A	Full	<input type="checkbox"/> N/A
Insert EIA reference number and attach EIA N/A				
Has appropriate consultation/engagement taken place?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/> x
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/> x
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/> x
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				

Purpose of Report:

This report provides the Committee with an overview of housing and repairs performance for a range of services within the remit of the Committee. This report covers the period up to quarter 2 (July – September) of 2023/24. The first part of the report provides an analysis of the performance, setting this within both the national and local context in which services are delivered.

A detailed appendix report is included with comparative data against other landlords and regulatory performance. The report allows the Committee to understand and comment on the performance delivery of housing and repairs services to both tenants and citizens.

Recommendations:

It is recommended that the Housing Policy Committee:

1. Notes the Performance Report update provided for up to quarter 2 of 2023/24
2. Highlights any issues of concern that they may wish to receive focussed analysis in future performance reports.

Background Papers:

Appendix 1 – Housing and Repairs Performance Report Quarter 2 2023/24

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.	Finance: Helen Damon
		Legal: Rebecca Lambert
		Equalities & Consultation: Bashir Khan
		Climate: Nathan Robinson
	<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	SLB member who approved submission:	Ajman Ali
3	Committee Chair consulted:	Cllr Douglas Johnson
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 SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Janet Sharpe Tom Smith	Job Title: Director of Housing Director of Direct Services
	Date: 4 th December 2023	

1. Introduction

- 1.1 The Constitution of Sheffield City Council (the Council) delegates to Housing Policy Committee the responsibility for regular monitoring of data including performance and financial information. This includes monitoring the performance for both housing repairs and maintenance service and housing (public sector, private sector, and related functions) services.

This report summarises performance information for the Housing Policy Committee up to the end of quarter 2 (July to September) 2023/24. The report highlights areas of note, providing explanation where possible, to facilitate the Committee in monitoring housing and repairs performance.

- 1.2 This report highlights several key areas for the Committee to consider. The key performance areas reflect our [Landlord Commitments](#), [Tenant Satisfaction Measures \(TSMs\)](#) as required by the Regulator of Social Housing (RSH) and other key housing and repairs performance measures.

The performance report is structured around the 3 main Landlord Commitments. An additional section about other housing support including homelessness and private rented homes is also included: -

1. We Will Offer A Range Of Quality Homes

- Repairs
- Health and Safety Compliance
- Fire and Building Safety
- Delivery of New Homes

2. We Will Take Care Of Your Neighbourhood

- How we are managing our neighbourhoods and how tenants feel about where they live

3. We Will Provide A Good Service To You

- Tenant contact and how tenants feel about their interactions with us

4. Provide Other Housing Support

- Helping to prevent homelessness
- Making private rented homes safe

- 1.3 We have participated in a mid-year benchmarking exercise on the Tenant Satisfaction Measures (TSMs) with Housemark. Housemark is the data-driven solutions provider for the UK housing sector and provides sector-wide comparisons for all 22 TSMs to help us understand how we are performing in comparison to other social housing providers. This allows us to compare performance with this national median (middle value)

average of all social housing providers as well as a comparative group of 'peers' – larger landlords more like Sheffield. Relevant median scores from this exercise are included within this report to allow Members to compare our performance.

- 1.4 Additional information can be found in the Housing and Repairs Performance Report Quarter 2 2023/24 that accompanies this report at Appendix 1. This is also shared with our newly established tenant-led Tenant Voices Matter Panel and the Customer Repairs Focus Group. This provides the opportunity for tenants to scrutinise our performance and provide feedback and thoughts prior to this report being presented to the Committee. The Appendix 1 report also captures all the performance measures we are required to collate and submit to the Regulator of Social Housing (RSH).

2. Offering A Range of Quality Homes

2.1 Repair Volumes

High demand for our responsive repairs service has continued into Quarter 2, increasing by an average of 100 jobs per week compared to the first three months of the year. (Average demand is now at 2,700 new jobs per week compared to 2,000 in previous years). The ability to achieve repairs targets is strongly linked to demand. Service pressures in relation to working at heights and damp and mould repairs have continued and will only increase further as we enter the winter months. Additional recruitment to respond to increased repair volumes has proved difficult for some time (since the pandemic) and is a national issue in the construction labour market.

2.2 Right First Time

Right First Time is a key indicator for the repairs service. Performance on completing jobs Right First Time has further improved during Quarter 2, achieving an all-time high of over 87%. This is attributable to a sustained focus within the service of improved efficiency and customer excellence.

2.3 Customer Satisfaction with Repairs

Customer satisfaction with the repairs service is measured using both transactional and perception surveys. The Council are required to submit satisfaction information to the Regulator of Social Housing (RSH) in the form of a perception survey. In addition, RMS also measure satisfaction with repairs after each 'transaction', meaning customers who have recently used the service and had a repair completed, are contacted, and asked about their experience. Both types of surveys are important for identifying different issues and getting feedback to help drive improvements to our repairs related services.

Housemark have reported that results from transactional surveys are typically around 15% higher than perception survey results. This is

reflected in our current repairs satisfaction scores (64% for the RSH's perception survey and 83% for the Council's transactional survey in quarter 2). Our challenge in 2023/24 is to close the gap, building upon recent performance improvement. Based on results submitted to Housemark, the peer median is 70%. This provides us with a target to work towards for the remainder of 2023/24.

Tenant satisfaction with the time taken to complete their repairs has improved this quarter (up 6% from quarter 1). This is a positive increase and reflects improvements made by the Repairs & Maintenance Service. Based on results submitted to Housemark, the peer median score for this measure is 66%. We will continue to work on completing repairs in a timely manner and on bringing satisfaction closer to the benchmark.

2.4 Disrepairs

The number of new disrepair claims has increased during quarter 2. There has been an increase in legal companies canvassing homes across Sheffield encouraging customers to make disrepair claims. We saw an influx of cases from one firm in September with the number of cases in quarter 2 spiking as a result.

The number of disrepair works orders completed has slightly increased which is positive. Whilst we continue to work through the backlog and high number of new cases, we will continue to monitor this closely as it is likely to fluctuate until we can operate on a business-as-usual basis.

We are also working to make improvements through our Disrepair Strategy Group which is focusing on identifying targets and actions for disrepair management. In September, we brought a disrepair position statement to Housing Committee which set out our early resolution implementation plan. We are committed to getting better at managing disrepair, and it remains one of our key priorities for this year.

2.5 Health and Safety Compliance

Gas safety remains a top priority for the service and performance has remained above 98% in the year so far. We have seen a slight improvement from 98.1% of properties having a valid gas certificate in quarter 1, to 98.6% in quarter 2. This is in line with a consistent improvement in our performance over the last 18 months. We are working hard to resolve our oldest cases but the evidence and casework for each property takes time to be built and requires intensive staffing resource to encourage customers to engage and make a successful appointment. We are also continuing to work with the Regulator of Social Housing to demonstrate progress and this performance improvement is a good sign that the work we are doing to tackle access issues is having a positive impact.

The percentage of homes with EICR (Electrical Installation Condition Report) certificates up to five-years-old remains consistent in quarter 2.

In line with updated guidance, we have moved from a ten-year to a five-year cycle and have plans in place to improve performance. Gaining access to some properties has been problematic, but the team are developing a robust procedure for these properties, and we are developing our communications to customers. In the longer term, we are looking to allocate additional resources to support the testing programme.

For quarter 2, we continue to report 100% compliance on other key health and safety compliance areas such as legionella, asbestos and communal passenger lift safety. Satisfaction that our tenants feel safe in their home remains one of our higher satisfaction scores at over 71% in quarter 2 which compares positively with our peers at 74%.

2.6 Fire Safety

Fire risk assessments are carried out on our high-rise tower blocks, Older People's Independent Living (OPIL) schemes and our low rise flat and maisonette blocks. Performance has been affected this quarter due to many of our risk assessors undertaking required health and safety training which has impacted this quarter's schedule. Going into quarter 3, we are working hard to catchup on missed assessments and expect to achieve full compliance for quarter 3.

Performance on completing repairs identified through Fire Risk Assessments remains an area of focus. The number of repairs completed within target time has improved in quarter 2 for high-rise and low-rise accommodation. However challenges still remain around access and supply chain issues.

2.7 Damp and Mould

We have seen increased reports of damp, mould and condensation reported in line with the national trend. Our dedicated damp and mould team undertakes a triage assessment of each report, taking into account the individual needs of each household.

Data collection and analysis is a key part of our response to dealing with damp and mould across the council housing stock.

2.8 Delivery of New Council Homes

We have delivered 14 new builds during quarter 2 across two sites, Daresbury View, and Berners Road. All the new builds we aim to deliver this year will be positioned at these sites and are a mix of 3 and 4 bed houses, and 1-bedroom apartments over the two sites. We have delivered a total of 26 new builds during the first half of this year. We also made 7 acquisitions in quarter 2. These were all general acquisitions and mean that we have delivered a total of 26 acquisitions so far in the year.

3. We Will Take Care Of Your Neighbourhood

3.1 Shared Spaces

Satisfaction levels around communal cleaning in quarter 2 (57%) have remained consistent with those reported in quarter 1. Housemark has recently reported that the peer median score for this measure of 64%. We will also continue to work with our neighbourhood teams to make improvements in this area especially around cleaning standards. Satisfaction that the landlord makes a positive contribution to neighbourhoods has increased from 60% in quarter 1, to 64% in quarter 2. This puts us level with the Housemark's peer median of 62% which reflects that we are performing similarly to other landlords on this measure. We continue to review both negative and positive comments to better understand what tenants feel we do well to look after their neighbourhoods, and where we need to improve.

3.2 Anti-social Behaviour

The volume of anti-social behaviour reports remained consistent in quarter 2. Satisfaction with the landlord's approach to handling of anti-social behaviour has increased slightly from 57% in quarter 1 to 60% in quarter 2, higher than the Housemark peer median for this measure of 51% and the median for the sector as a whole at 58%. We are committed to ensuring that tenants receive excellent customer service and support on matters of ASB and tenancy enforcement. Victims will be supported and kept up to date on case progression. Subjects will be challenged and supported to make the change required and enforcement action will be timely and assertive. We also continue to monitor comments on this measure, to help us identify themes and potential areas we could focus our prevention efforts.

3.3 Managing Tenant Arrears

We recognise that the cost-of-living crisis continues to heavily affect some of our tenant's financial positions. Our focus remains reducing rent loss whilst identifying and helping those in need of additional support.

Our rent collection was 97% in quarter 2 which is a positive improvement on last quarter despite being slightly below target. We continue to encourage tenants to pay by direct debit where possible, and over half of our tenants now pay their rent with this method. We are also prioritising work around reducing our total rent arrears owed by current and former tenants. Officers continue to work with our former tenants to recover this money.

We have helped tenants to receive additional financial support, for example, through support from Yorkshire Water and additional hardship payments. We have awarded a total of £108k in hardship payments so far this year, and the average hardship award is around £626. This is usually sufficient to cover a few weeks rent, allowing people to get back

on track with their finances.

3.4 Improving Vacants

Work is continuing to reduce the number of days it takes to re-let our properties once they become vacant. The average number of days taken to re-let all empty properties slightly increased in quarter 2. This was due to delays in parts of the handover process. We are working to reduce this turnaround time in quarter 3. There was also an increase in quarter 2 of the number of homes empty but available to let due an increase the number of tenancies quit within the quarter. A new Housing Vacants Team has been set up and work has started to look at how some of these processes can be improved.

4.0 **We Will Provide A Good Service To You**

4.1 Overall Satisfaction

As part of our Neighbourhood Tenant Satisfaction survey, we ask tenants how satisfied they are with the overall council housing service. Satisfaction with the overall service has improved slightly in quarter 2 at 63%. This is consistent with the Housemark peer median of 67%.

4.2 Complaints

Satisfaction with our approach to handling complaints has remained consistent this year, with only around 1 in 4 tenants (25%) telling us they feel satisfied. It is important to note that the difficulties we face around increasing satisfaction with our complaints handling are mirrored across the social housing sector. Satisfaction with complaint handling is the lowest scoring satisfaction measure across the whole sector, with the Housemark peer median being just 28% for this measure. Whilst this highlights that we are not alone in our low complaint handling scores, we recognise that this is still an important area for us to improve in, particularly given that we are currently performing below the benchmark.

4.3 Contacting The Service

Our satisfaction scores for customer contact remain low and we are aware improvements are needed. Tenants are telling us that getting through on the telephone is their main frustration. We have improved some of our processes and this is having an effect, as during quarter 2 the average waiting times for both housing and repairs calls have come down, with a particularly significant decrease in the waiting times for repairs calls. We will continue working to make it easier to contact us as the year progresses.

Tenants are telling us they are very satisfied with how well they are treated when they do contact us. This is our highest performance tenant satisfaction area, with a score of 81% for quarter 2. We are also performing above the Housemark peer median for this measure of 77%,

and the sector average of 78%. This indicates that most interactions between tenants and council officers are positive, and that staff continue to be helpful and professional under sometimes challenging circumstances.

In quarter 2, around half of tenants (52%) asked, told us they felt satisfied with opportunities to get involved. To help us improve in this area, we will soon be launching several new and refreshed tenant engagement opportunities including mystery shopping and a new tenant scrutiny panel. We have already received a high level of interest from tenants from different areas and backgrounds wanting to be involved. These changes will be captured in a new Tenant Engagement Strategy which will be presented at the Housing Policy Committee in January 2024.

5.0 Provide Other Housing Support

5.1 Helping to prevent homelessness

During quarter 2 our homelessness services continued to experience high demand in line with levels of homelessness being seen nationally. The ongoing cost-of-living crisis and the housing crisis remain a major challenge for us in reducing homelessness in the city. Positively, there has been an increase in the number of homelessness successful prevention outcomes in quarter 2, with 58 preventions in total.

The number of people in temporary accommodation has increased in quarter 2. We remain mindful that temporary accommodation offers just a short-term relief to people experiencing homelessness, and we continue to work towards getting people into more settled housing. We are working closely with registered providers in the city to increase their supply of affordable homes and liaise with landlords in the private rented sector to support growing demand for good quality, affordable housing in the city.

5.2 Making private rented homes safer

We are responsible for monitoring the health and safety standards of private rented homes across the city, ensuring that we are supporting private rented tenants to live safely in their homes. During quarter 2, we helped to make homes safer for 583 private rented tenants through the removal of Category 1 hazards or high scoring Category 2 hazards. Category 1 hazards are defined as a hazard that is a serious and immediate risk to a person's health and safety. Category 2 hazards are defined as less serious or less urgent but which still require attention to resolve. This number was particularly large due to the completion of works in communal areas of a building, resulting in hundreds of individuals being made safer. In addition, 42 fire safety hazards in the private sector have also been resolved in quarter 2.

6. How Does This Decision Contribute?

- 6.1 The Council is developing a set of City Goals in collaboration with our communities, partners, and stakeholders on a shared narrative that describes where we all want to be as a city. The City Goals will become a driving force to support our Council improvement journey and delivery planning. With the goals being developed collaboratively, a key aim is that this will promote a joined-up approach to delivering the goals.

The drafted goals include themes around thriving communities, and a green and resilient Sheffield – areas our housing services are likely to feed into.

In addition, a new longer term Sheffield Corporate Plan is being developed which will set out how we aim to achieve our City Goals. As the new goals emerge and the Sheffield Plan is developed, we will closely monitor and report on how housing and repairs performance is feeding into these. We will also focus on how we are collaborating with the relevant stakeholders.

7. Has There Been Any Consultation?

- 7.1 We regularly share performance information for our tenants through both our tenant newsletter and on Facebook. We have recently set up a new tenant-led group, the Tenant Voices Matter Panel, which will bring together tenants and Members of Housing Policy Committee ahead of each Committee meeting. This will give tenants the opportunity to input and feedback on our performance reporting, and our targets for performance. As part of our Engagement Strategy, we are looking at other ways we can involve tenants and share our performance information more widely. We are currently setting up a range of new tenant scrutiny forums. In these forums we will be sharing various performance updates with a view to becoming more transparent about our performance and getting feedback from our customers.

8. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

8.1 Equality Implications

- 8.1.1 This report provides the Committee with an overview of housing and repairs performance for a range of services within the remit of the Committee. Though there are no direct equality implications arising from this report, there are likely to be equality implications arising from the Council's response to many of the issues documented in this report. Equality Impact Assessments will be undertaken for the Council's response to these as needed.

8.2 Financial and Commercial Implications

- 8.2.1 There are no direct financial and commercial implications arising from this report. There may be financial and commercial implications arising from the Council's response to many of the issues documented in this report. Any budgetary implications that arise will need Member approval

and decisions around this may need to be made at a future Housing Policy Committee

8.3 Legal Implications

- 8.3.1 As this report is for noting, there are no direct legal implications arising from this report, but the report does provide an overview of the achievement of targets in the past quarter and highlights risk management considerations where appropriate. Any further legal implications arising out of matters raised in this report will be considered in detail in any future reports to the Housing Policy Committee.

8.4 Climate Implications

- 8.4.1 There are no direct climate implications arising from this report. There are likely to be climate implications arising from the Council's response to many of the issues documented in the first part of this report: climate impact assessments will be undertaken for these as needed.

8.4 Other Implications

- 8.4.1 There are no other direct implications of this report. There may be other implications arising from the Council's response to many of the issues documented in this report.

9. **ALTERNATIVE OPTIONS CONSIDERED**

- 9.1 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.

10. **REASONS FOR RECOMMENDATIONS**

- 10.1 The Housing Policy Committee has delegated authority to monitor the performance of Housing and Repairs services to ensure that:
- The service is delivering for tenants, and that tenant satisfaction is closely monitored
 - Limited resources are maximised due to budgetary pressures
 - The Council is delivering on corporate priorities

Performance information is shared with external organisations such as the Regulator of Social Housing and the Housing Ombudsman for scrutiny



Housing & Repairs Performance Report 2023/24

Quarter 2 (July 23 - September 23)

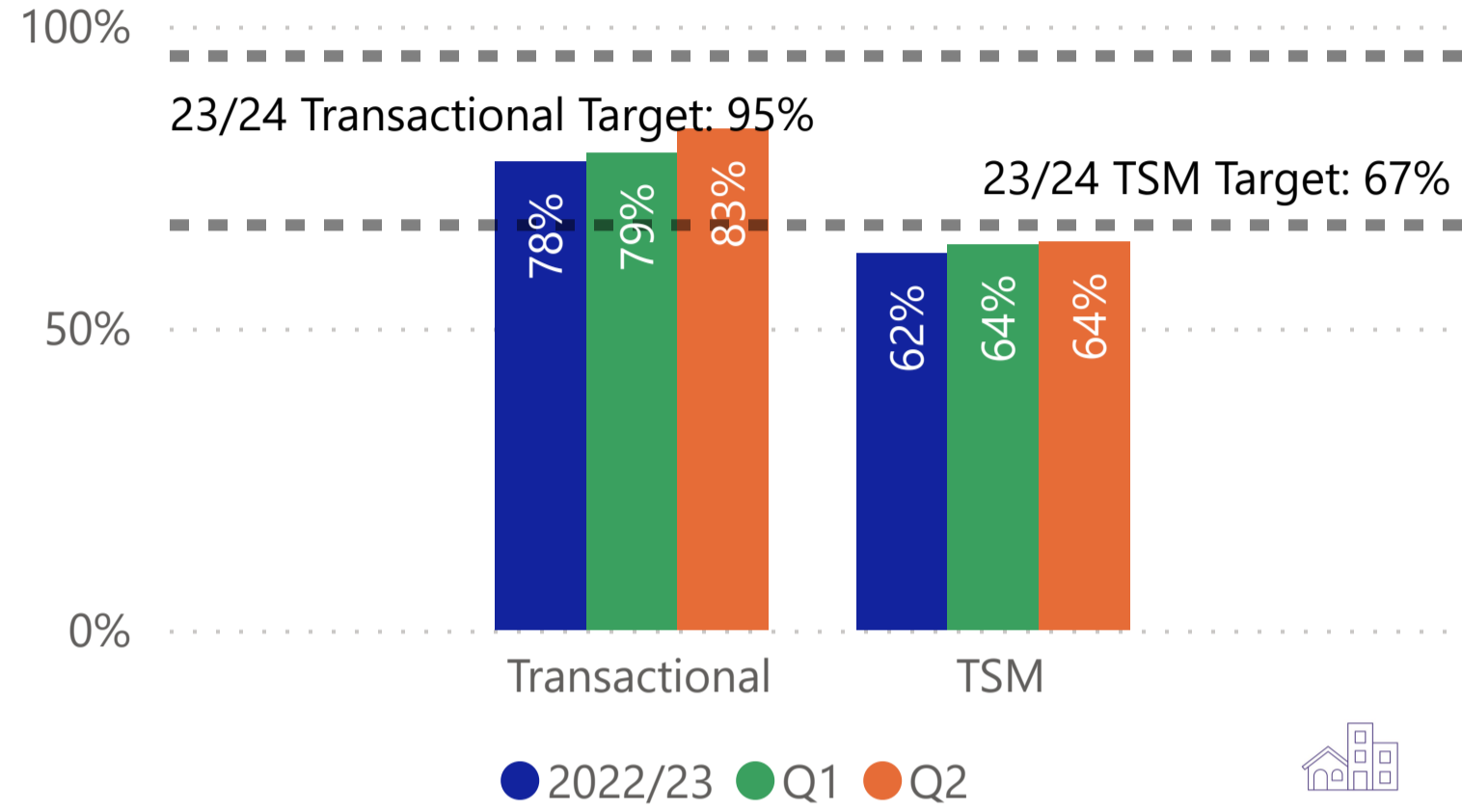
Performance measures included within this report align with Sheffield City Council's Landlord Commitments and the Regulator of Social Housing's (RSH) Tenant Satisfaction Measures (TSMs). This report also includes other key performance indicators for the Housing & Neighbourhoods and Repairs & Maintenance Services.

TSMs can be identified by this icon

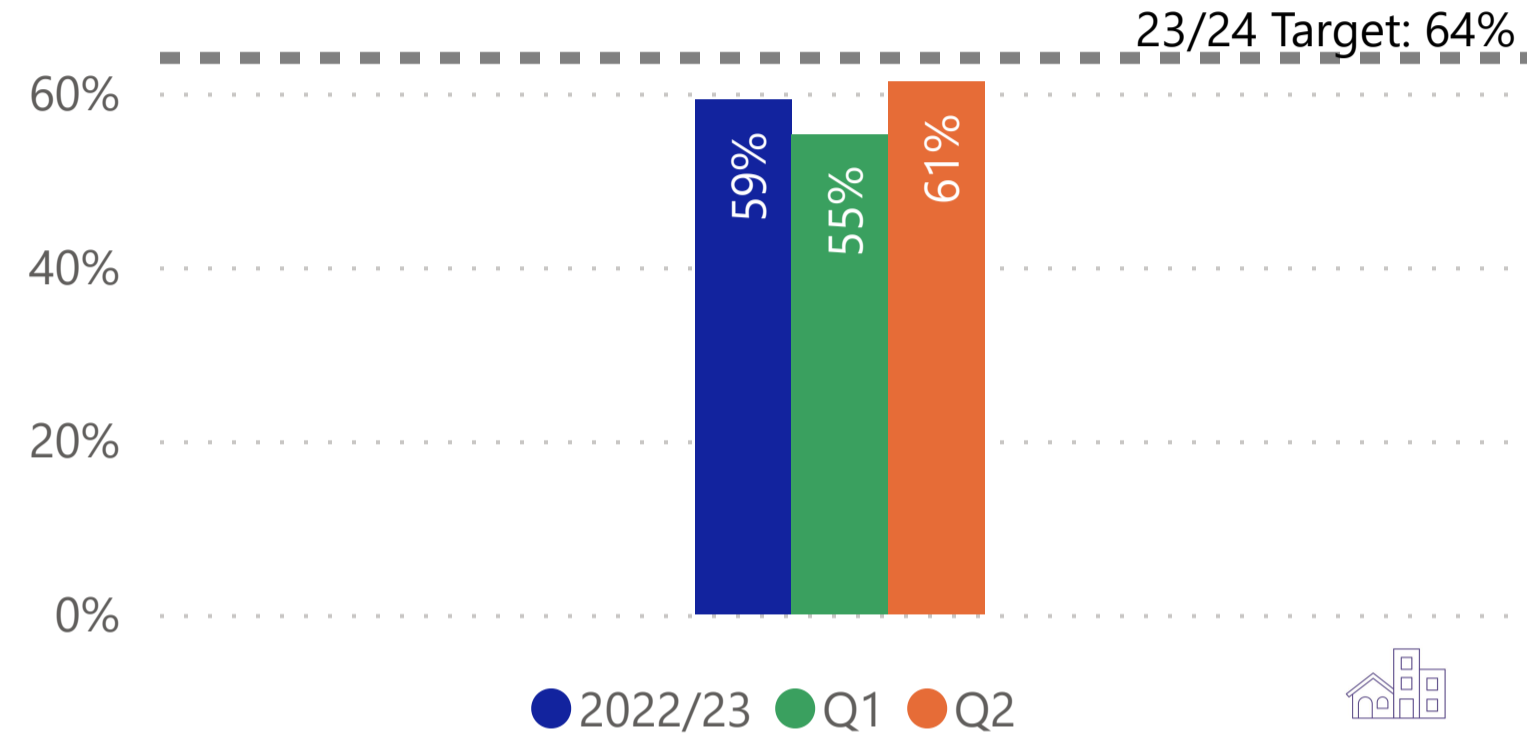


We will offer a range of quality homes

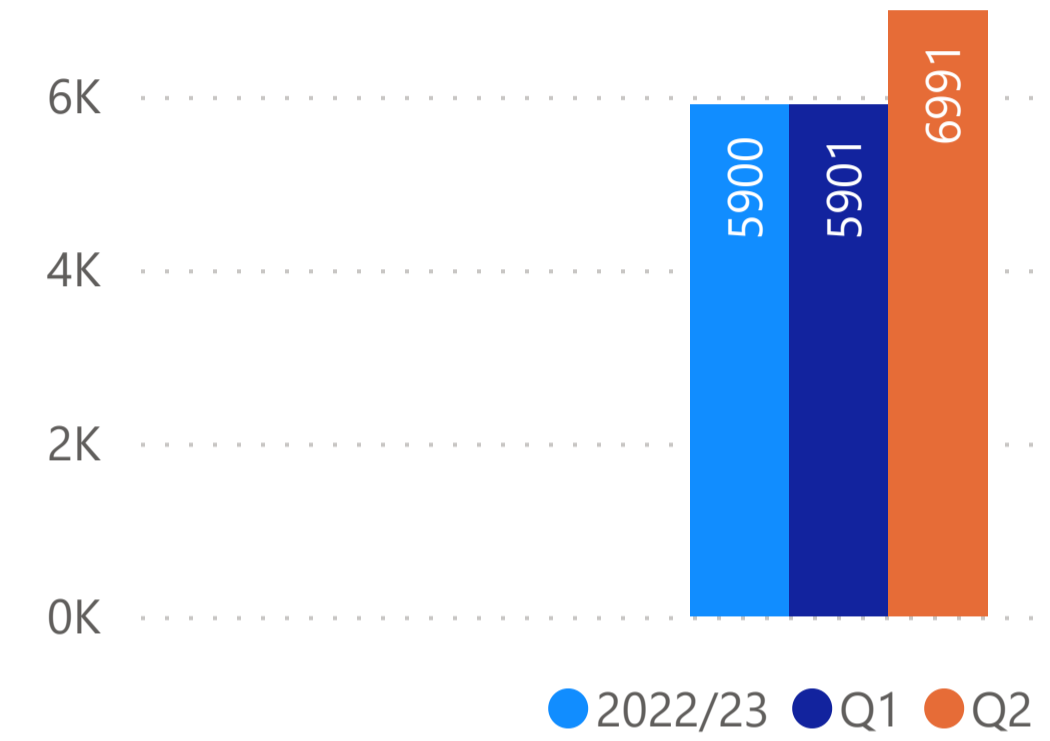
Satisfaction with Repairs Service



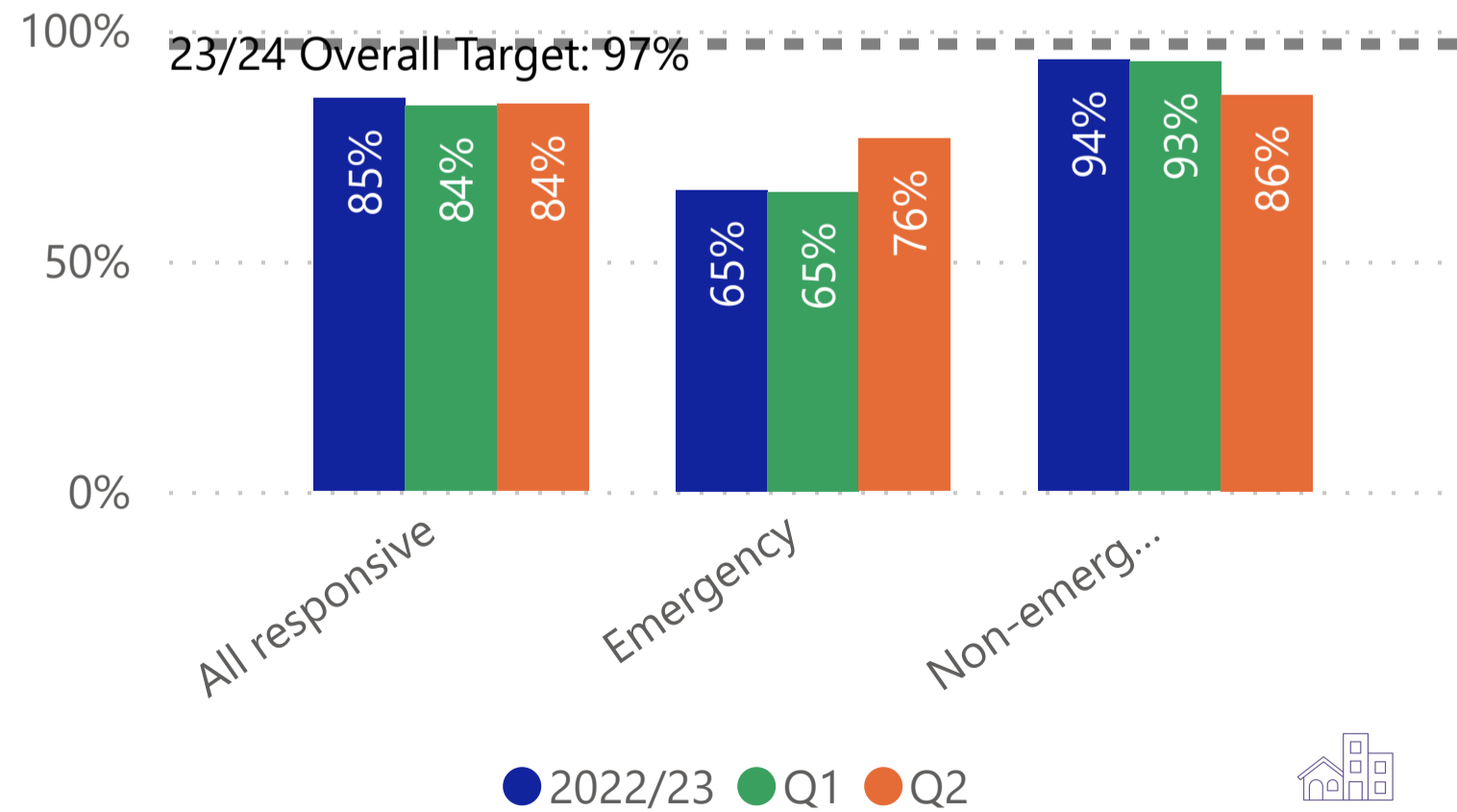
Satisfaction with time taken to complete most recent repair



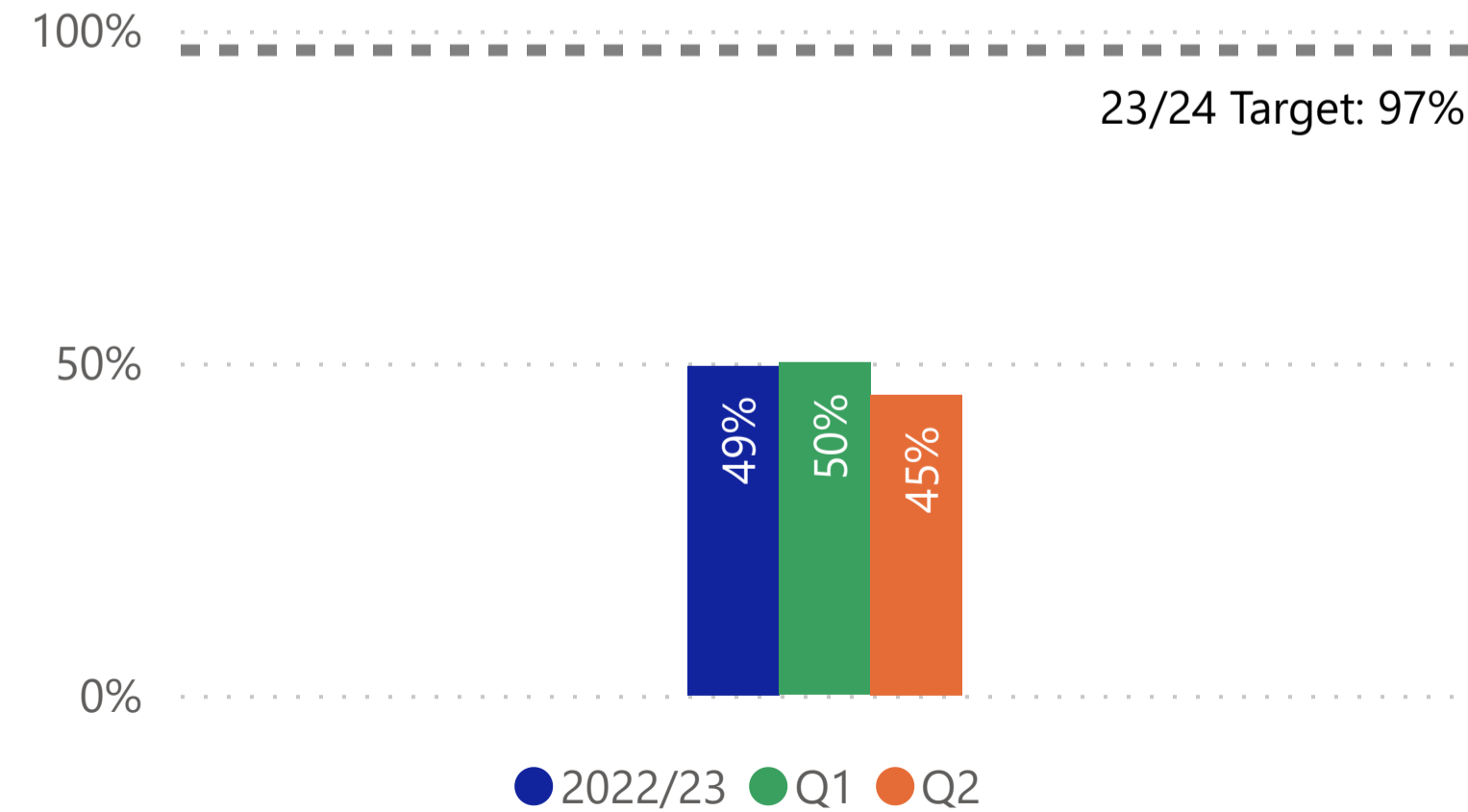
Number of repairs overdue



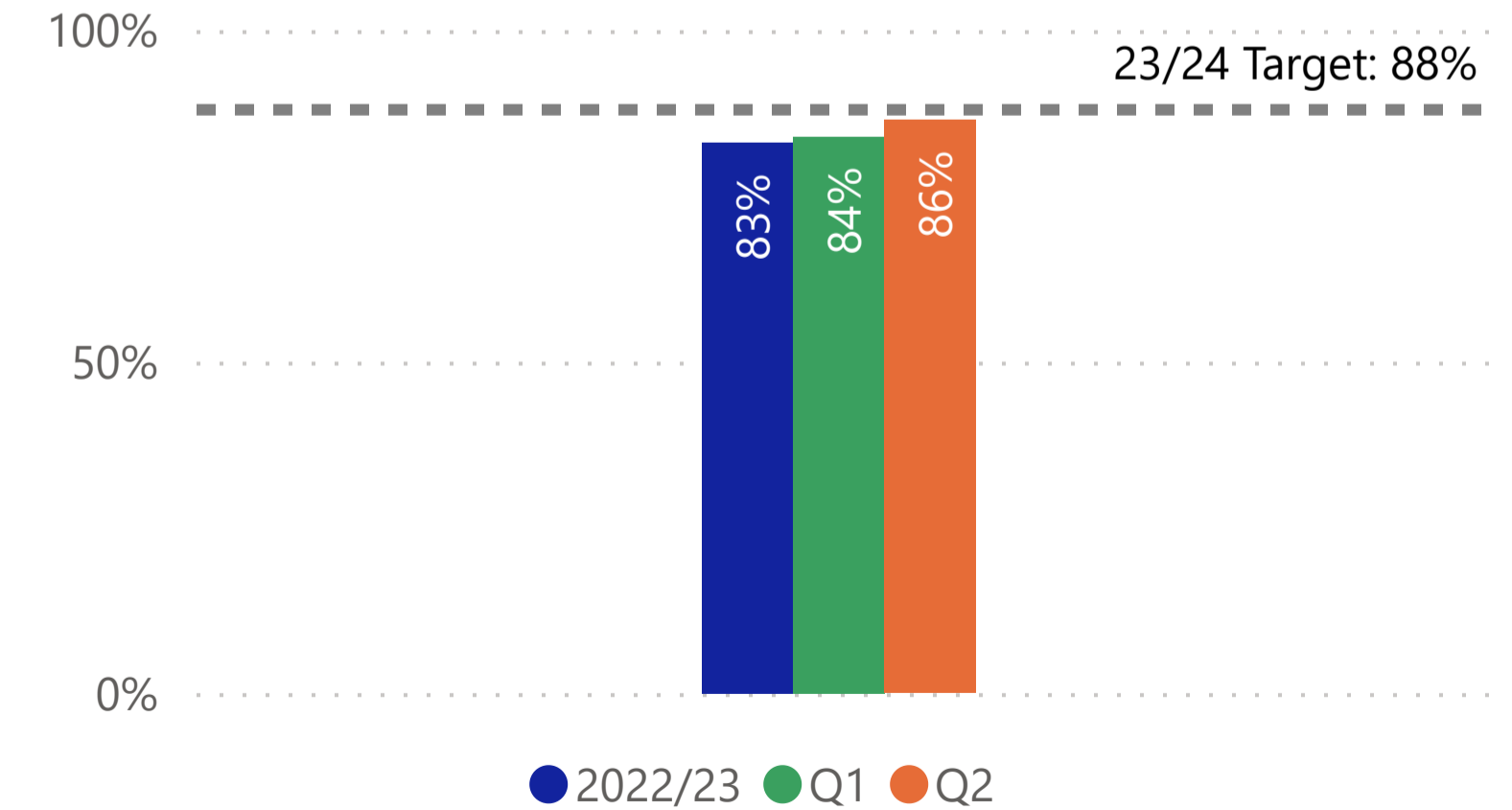
Percentage of responsive repairs completed on time



Percentage of planned repairs completed on time

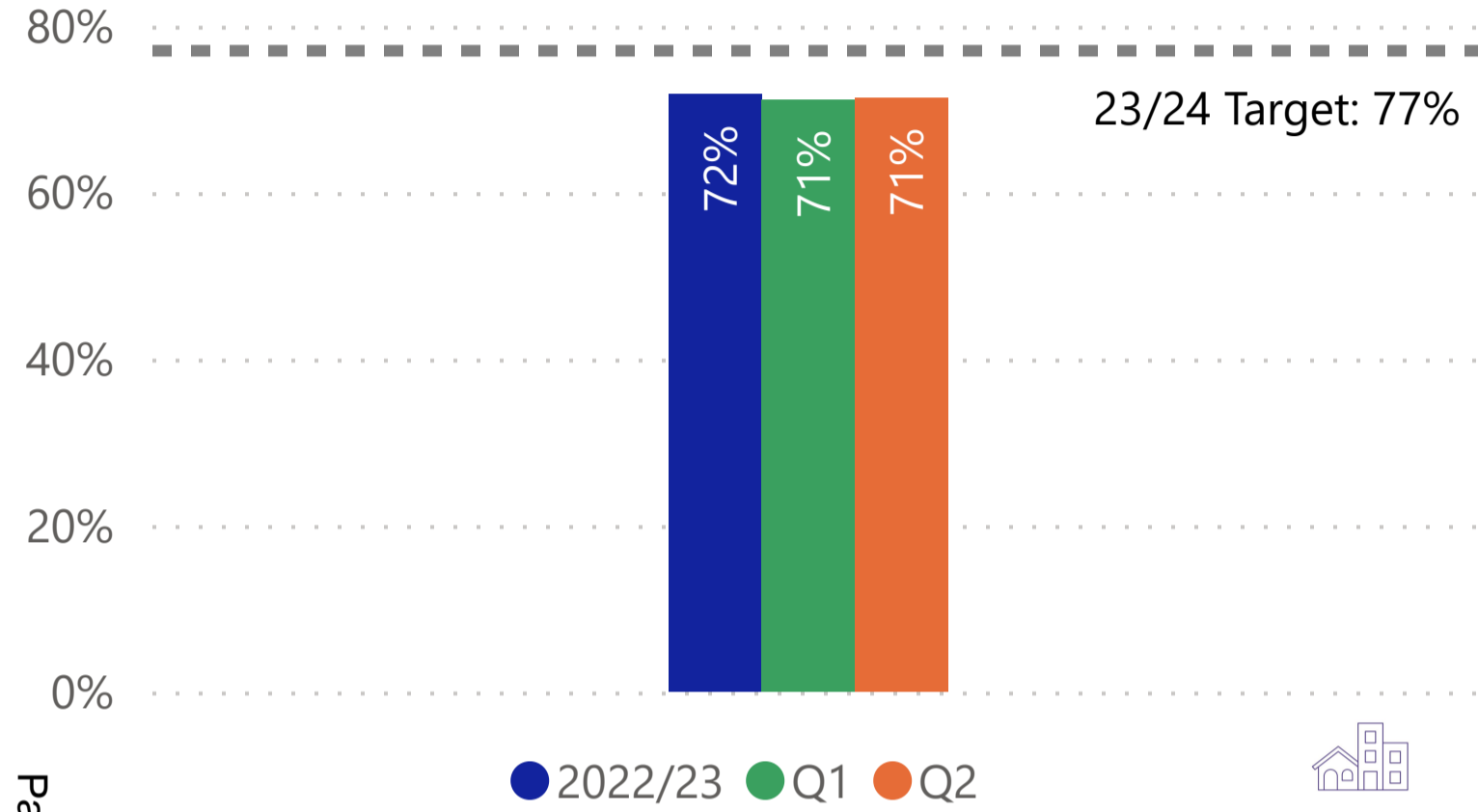


Percentage of repairs completed right first time

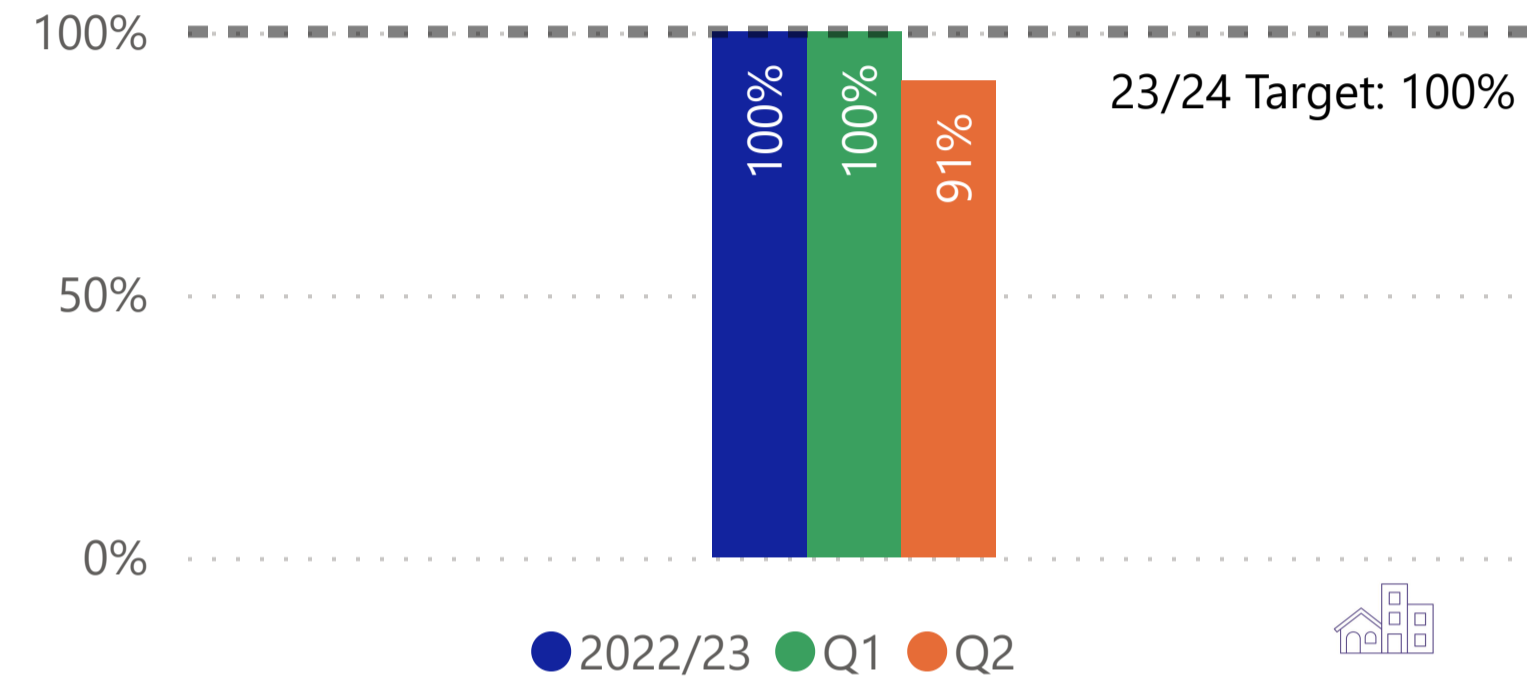


We will offer a range of quality homes

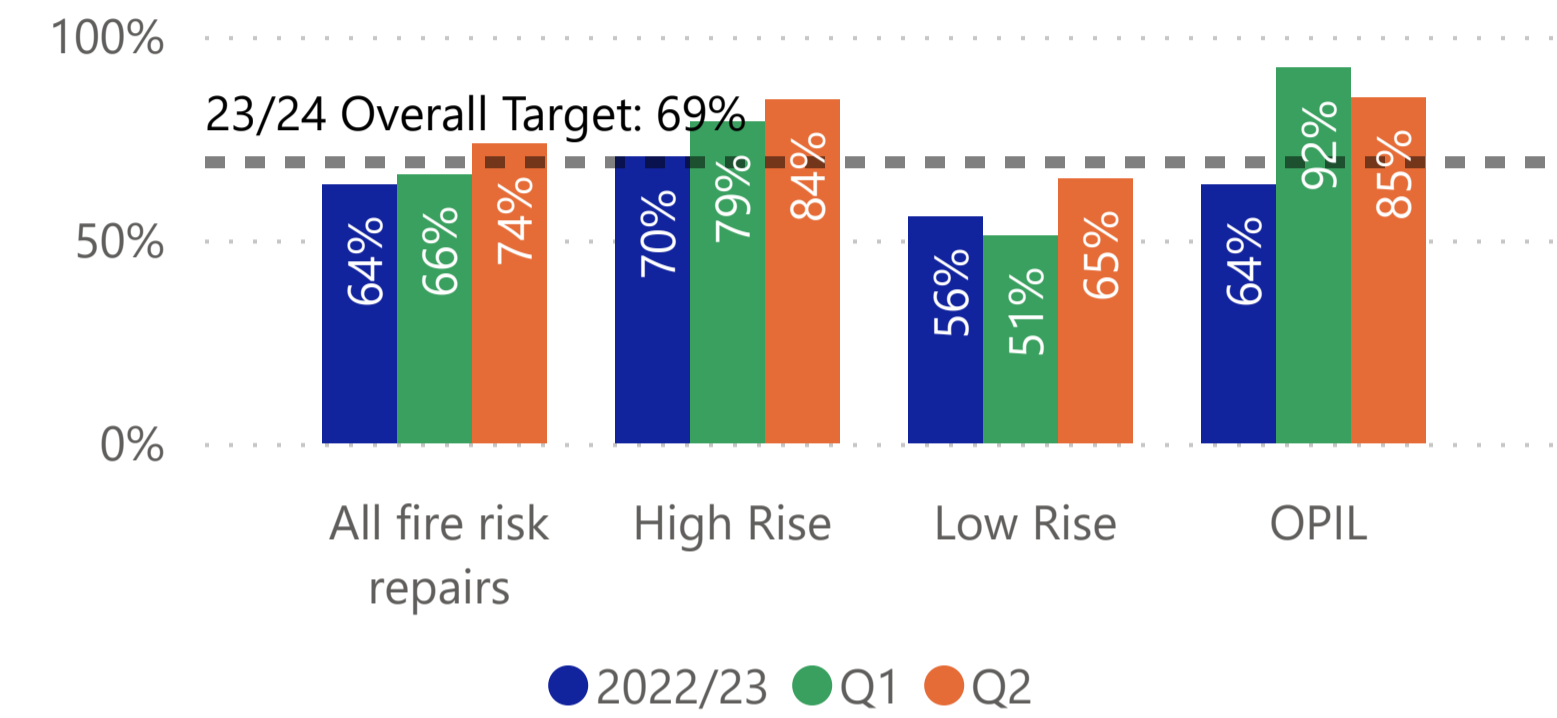
Satisfaction the home is safe



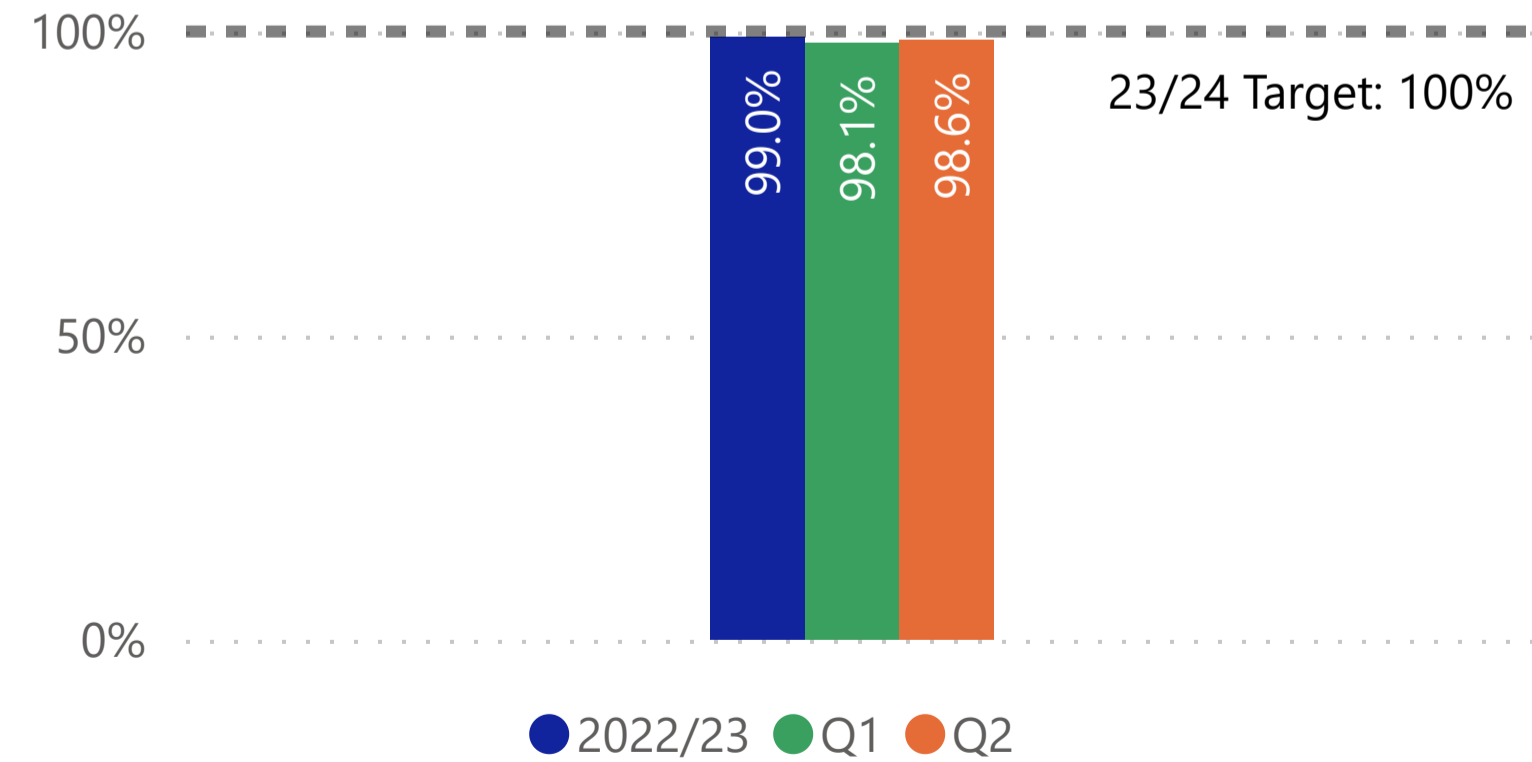
Percentage of homes in buildings that have had all the necessary fire risk assessments



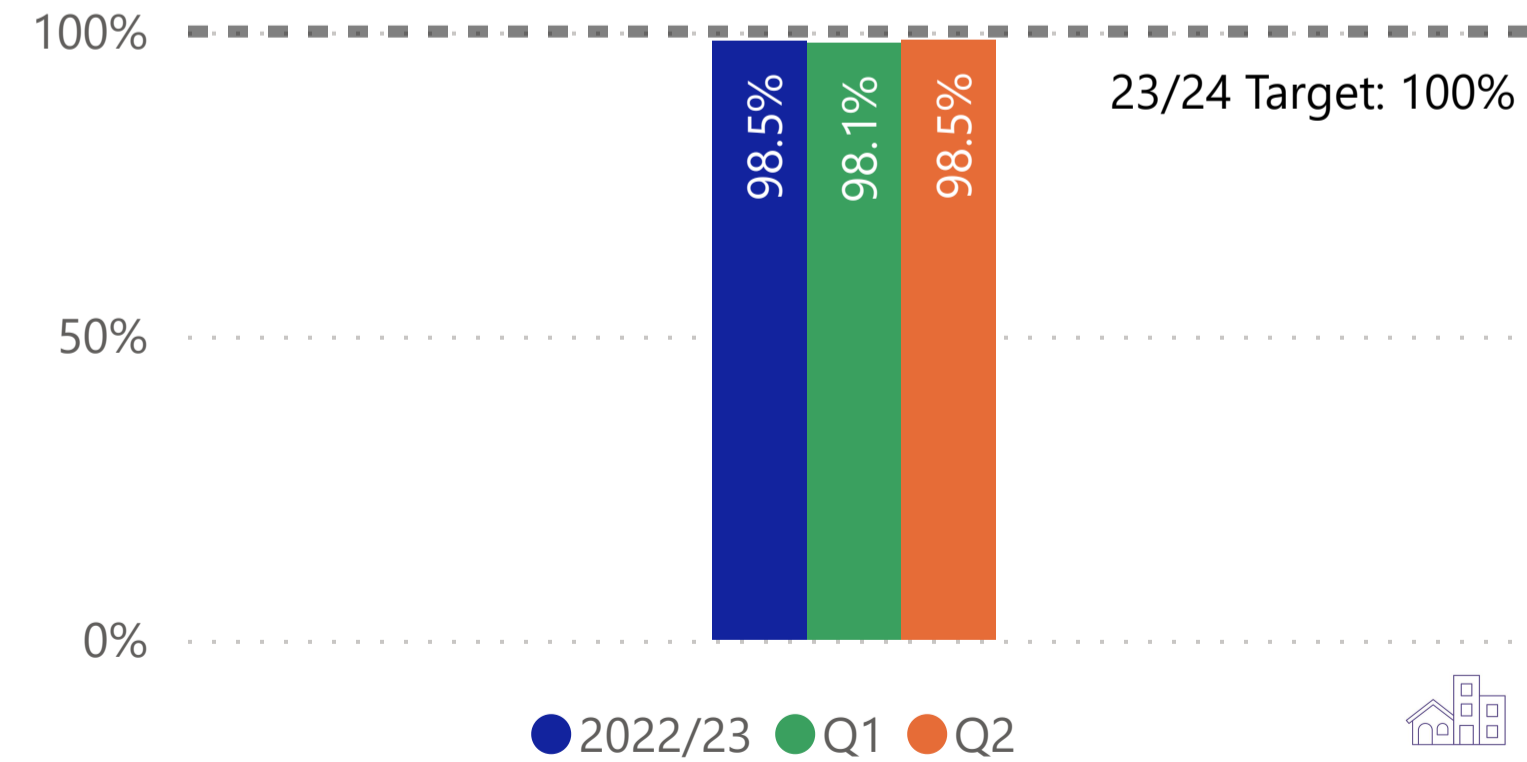
Percentage of fire risk assessment repairs completed within target time



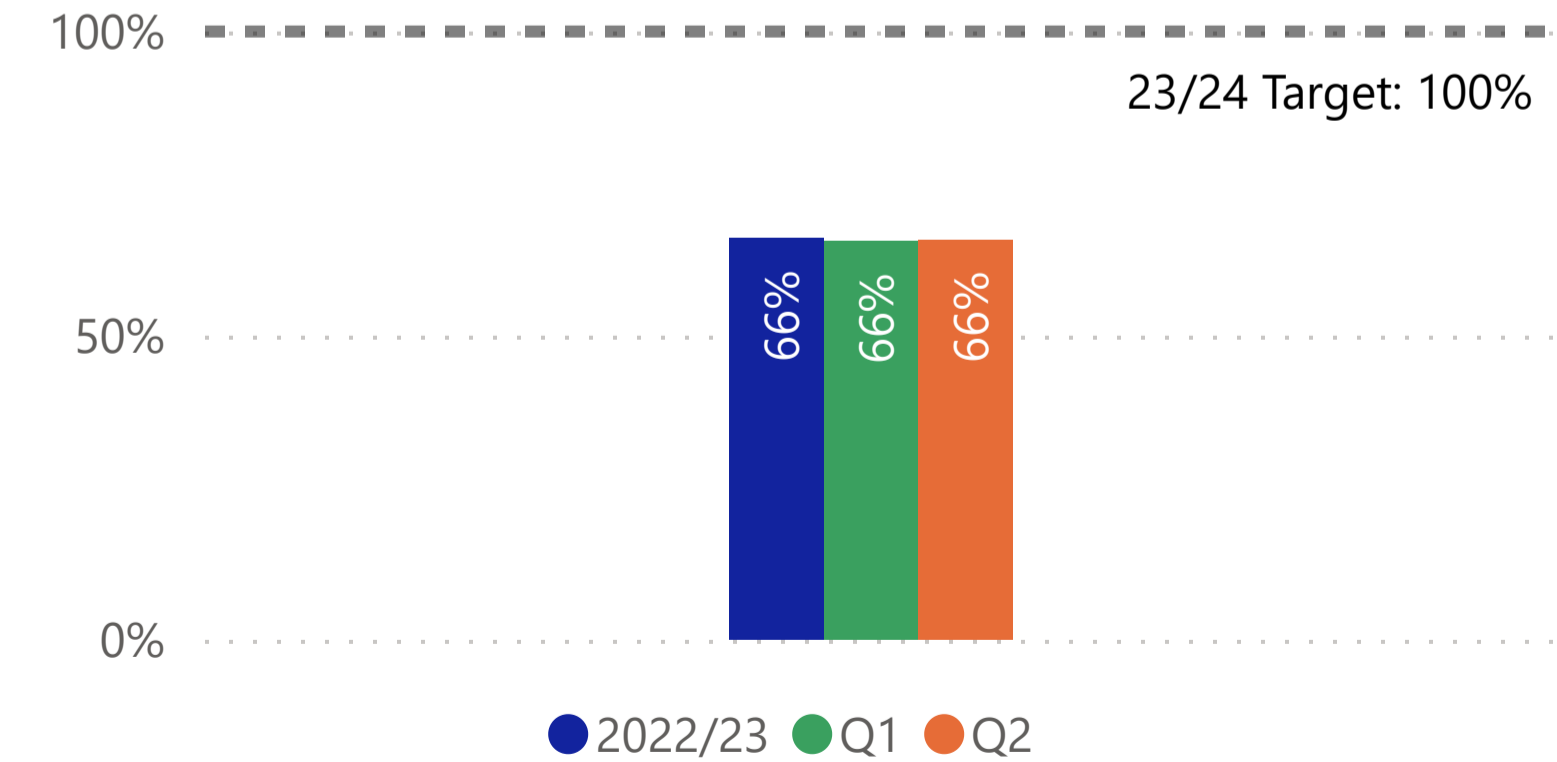
Percentage of properties with a valid gas certificate



Percentage of homes that have had all the necessary gas safety checks

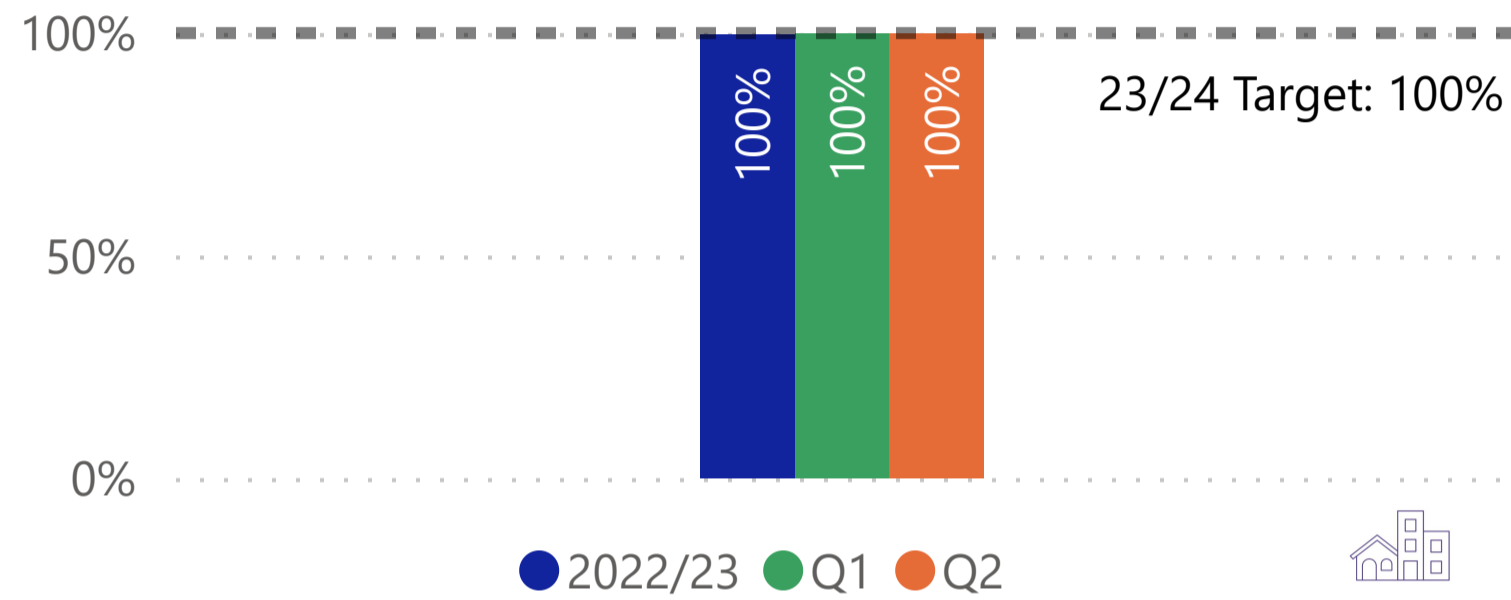


Percentage of domestic properties with EICR certificates up to five years old

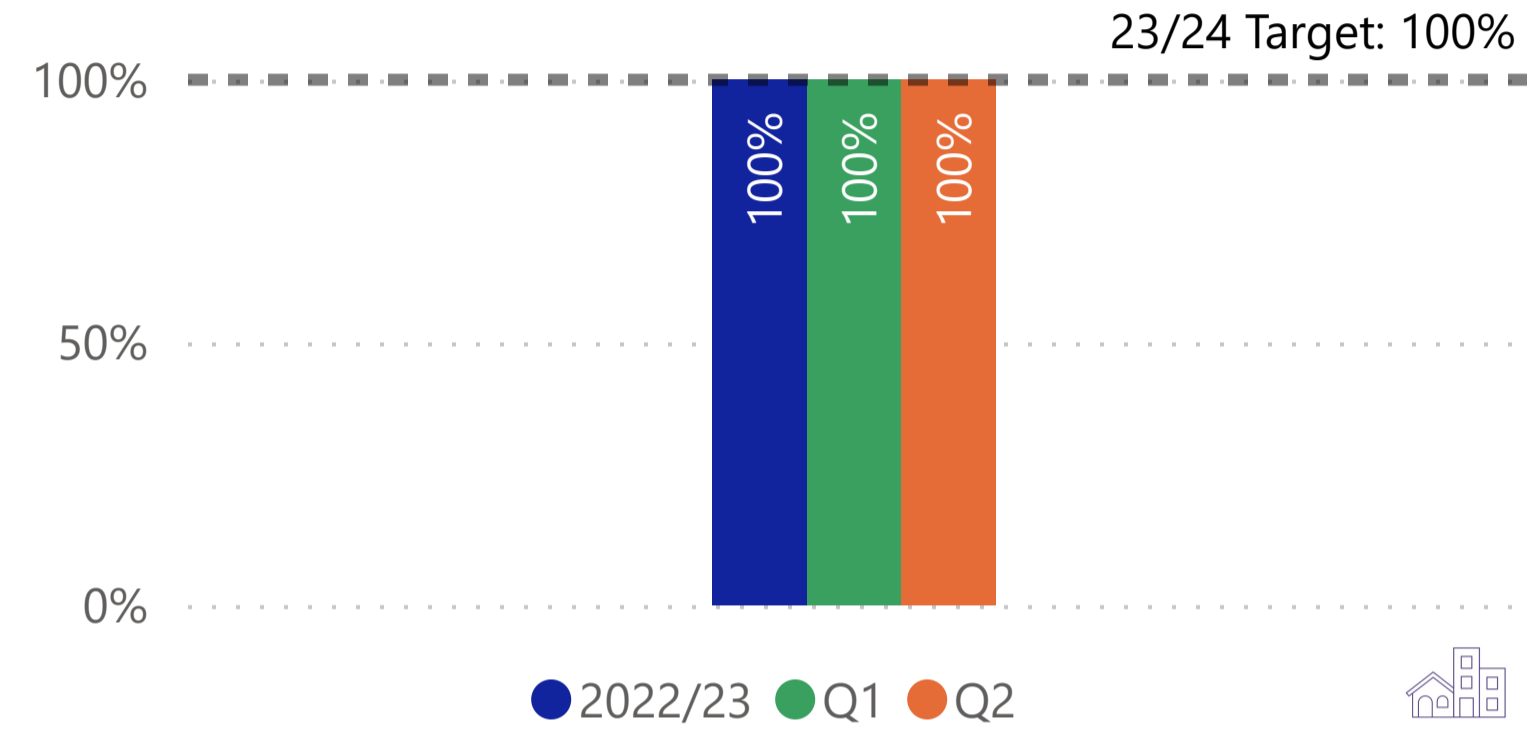


We will offer a range of quality homes

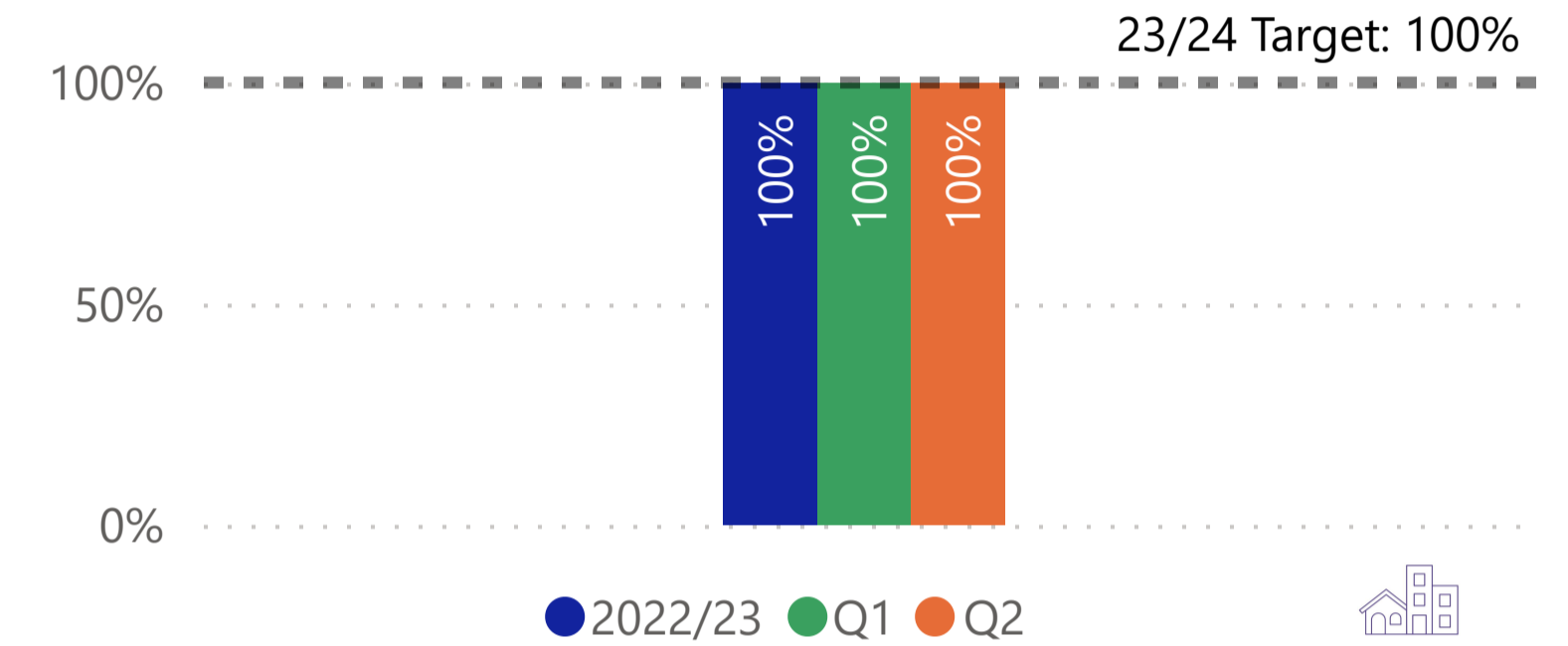
Percentage of homes in buildings that have had all the necessary asbestos management surveys or re-inspections



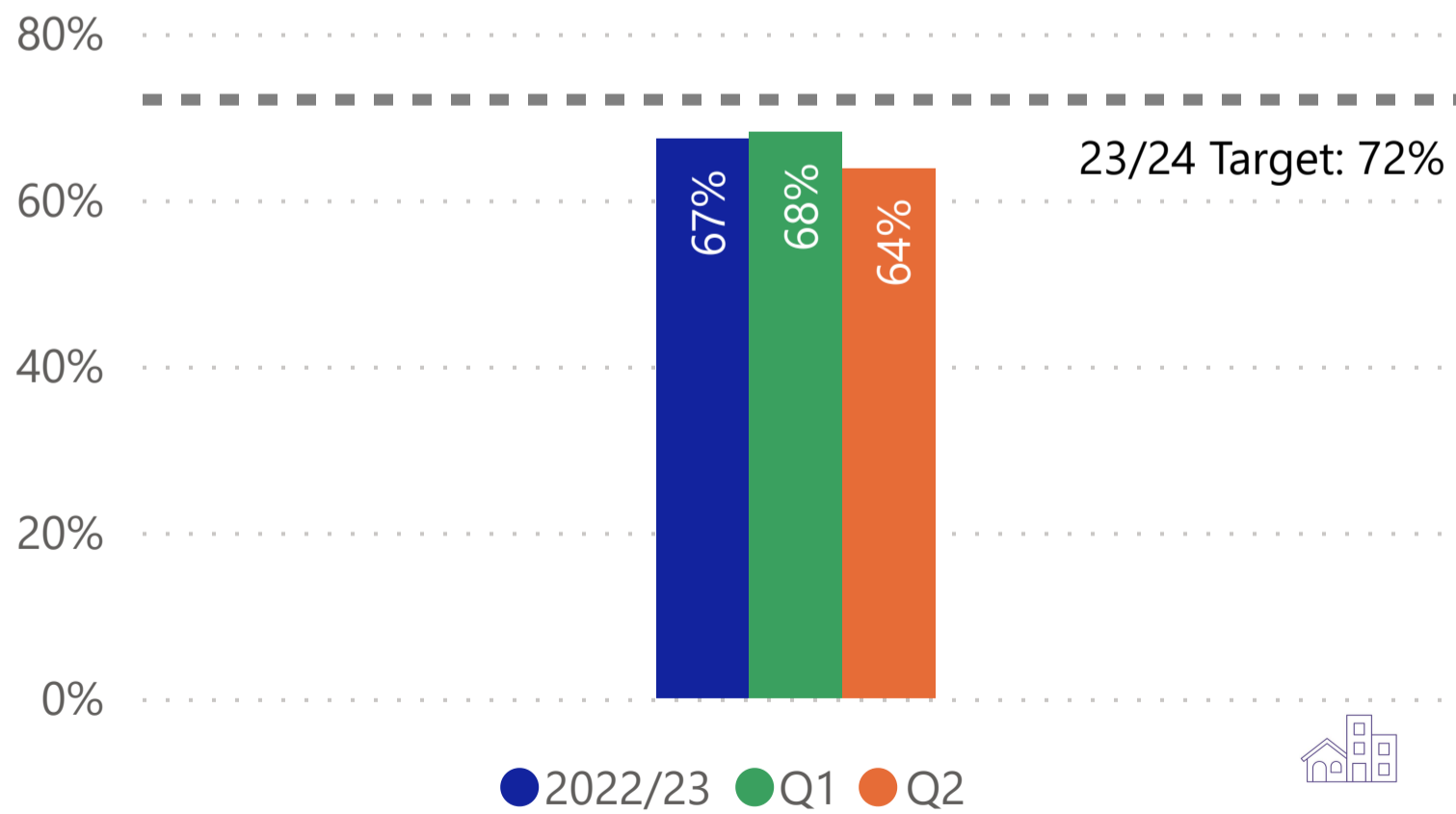
Percentage of homes that have had all the necessary legionella risk assessments



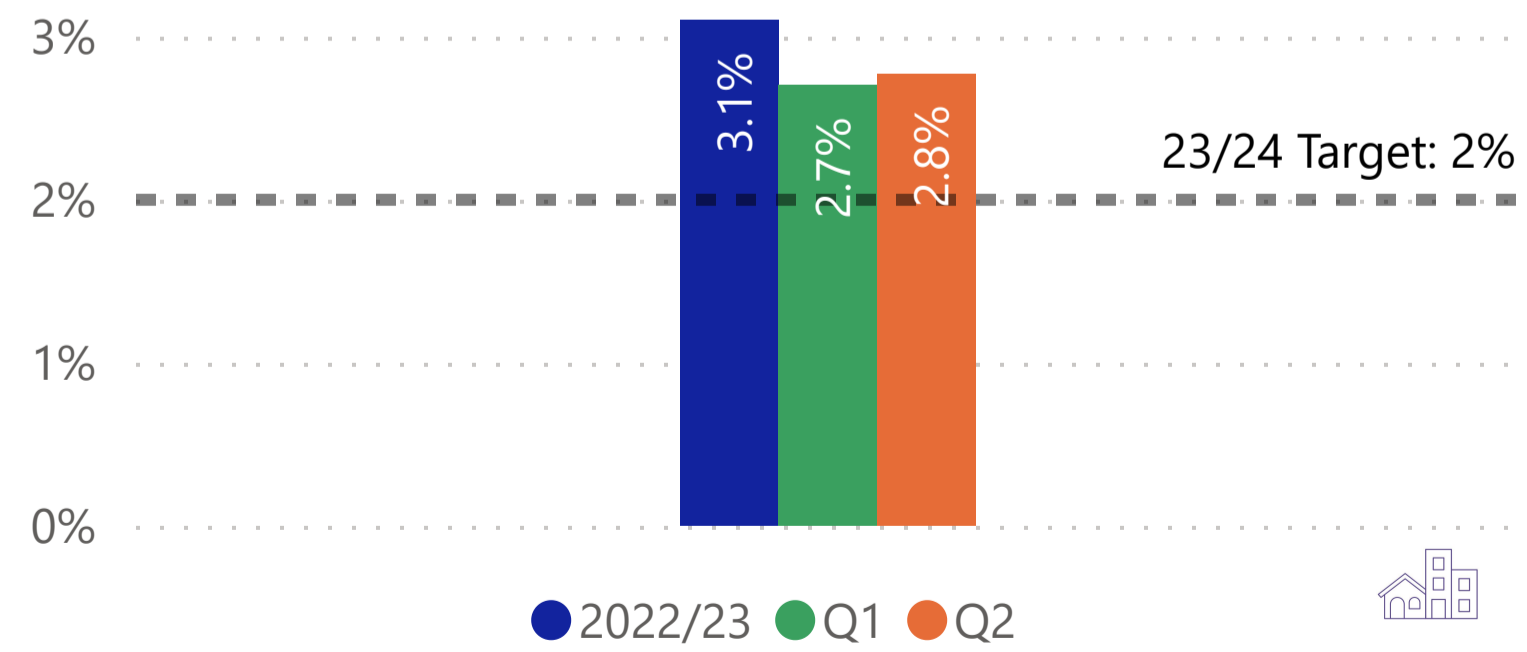
Percentage of homes in buildings where the communal passenger lifts have had all the necessary safety checks



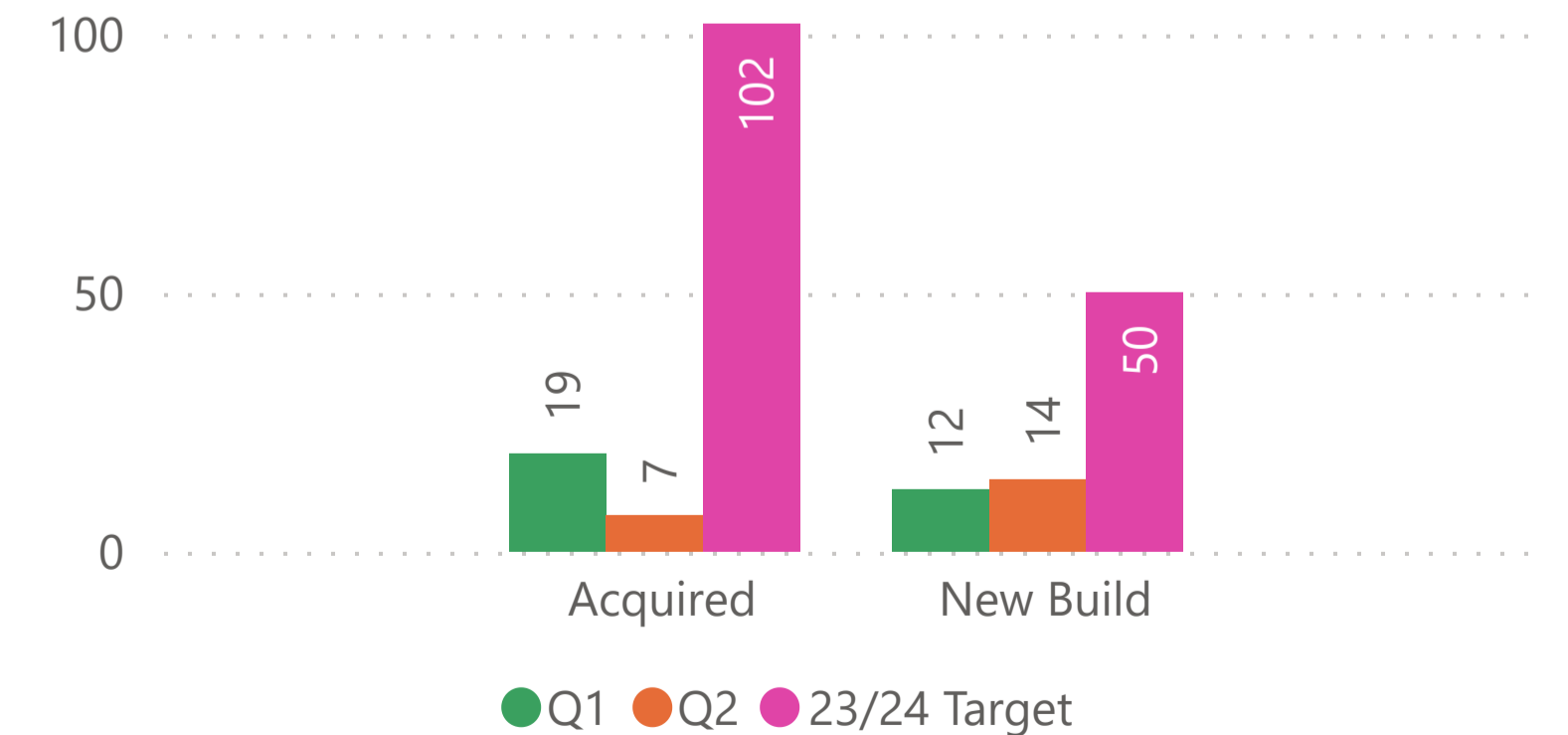
Satisfaction the home is well maintained



Percentage of homes that do not meet the Decent Homes Standard

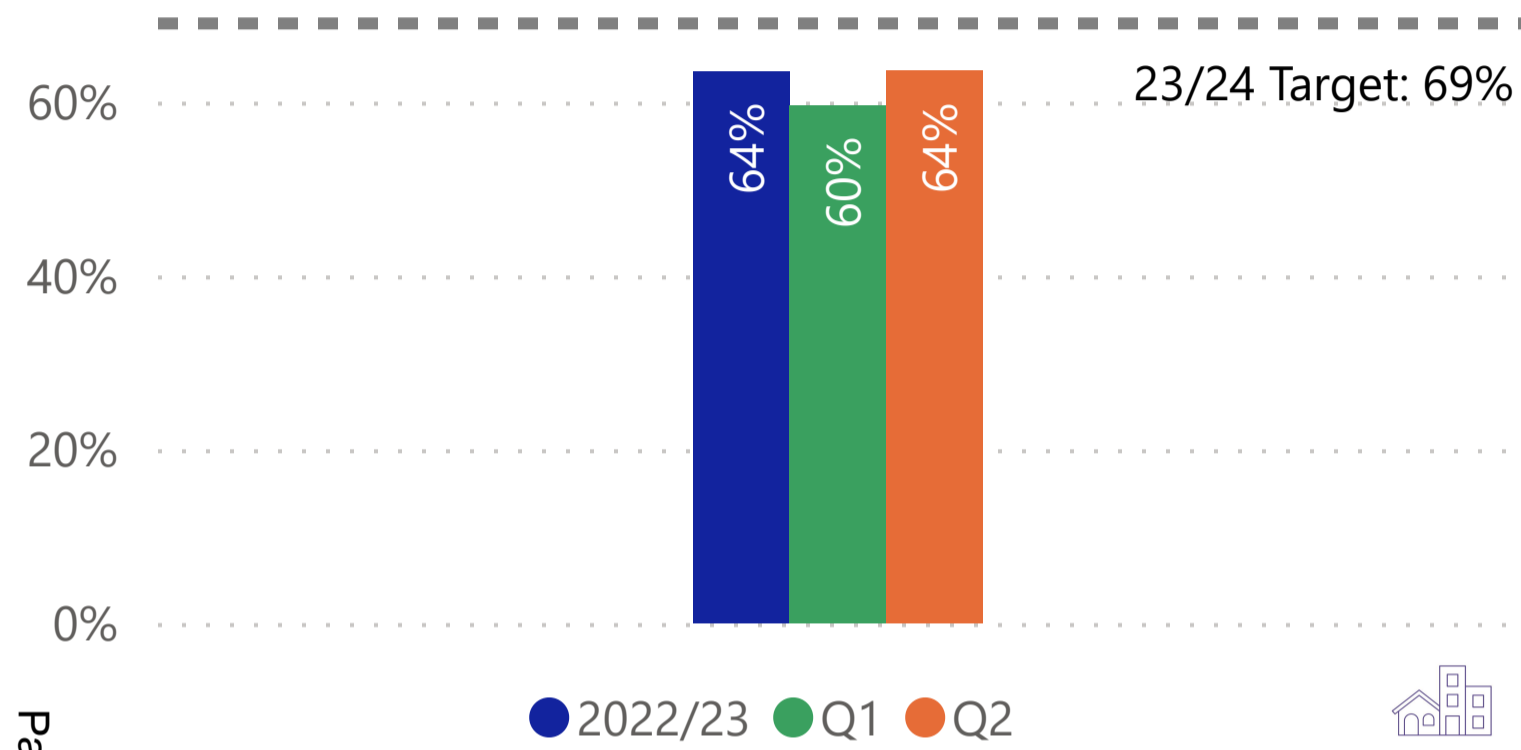


Number of new council homes

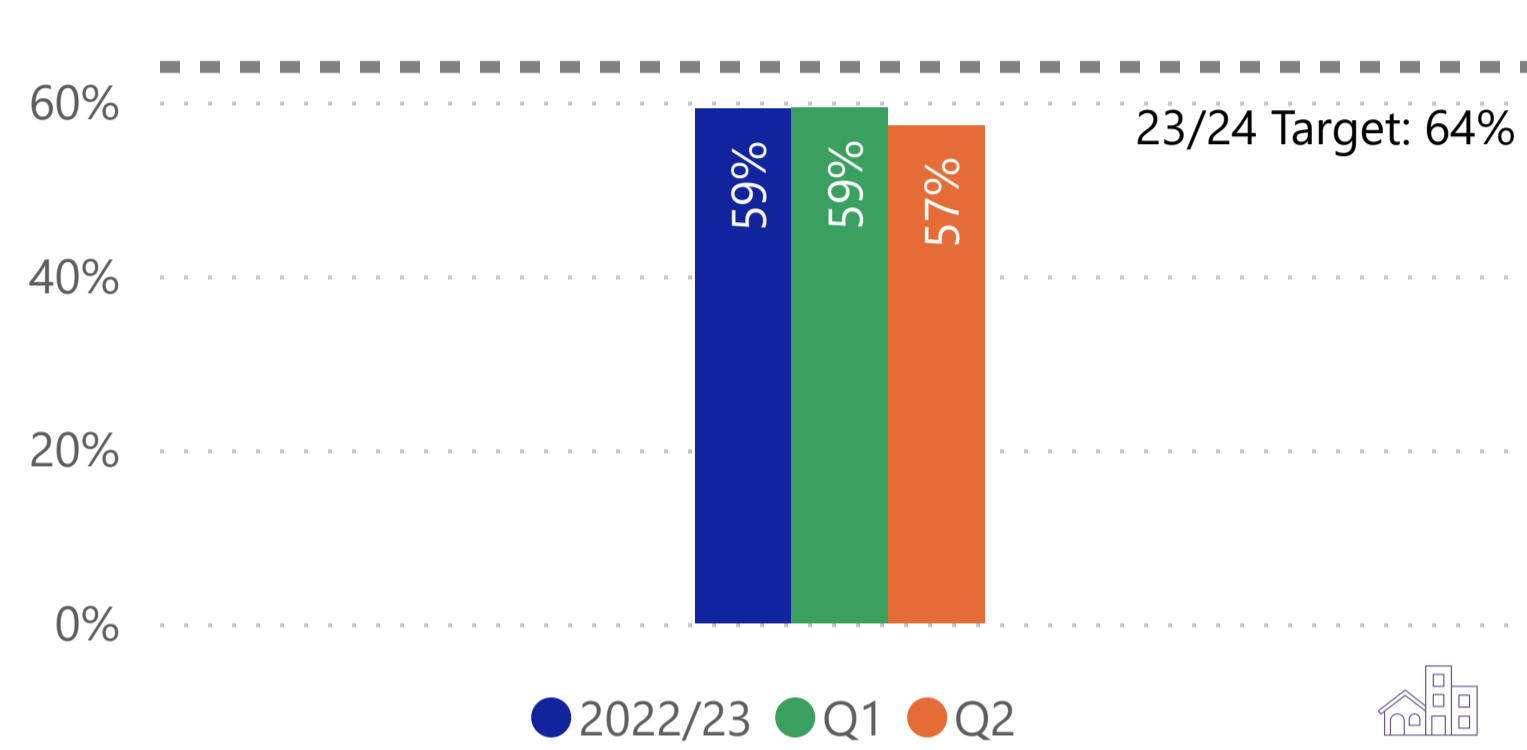


We will take care of your neighbourhood

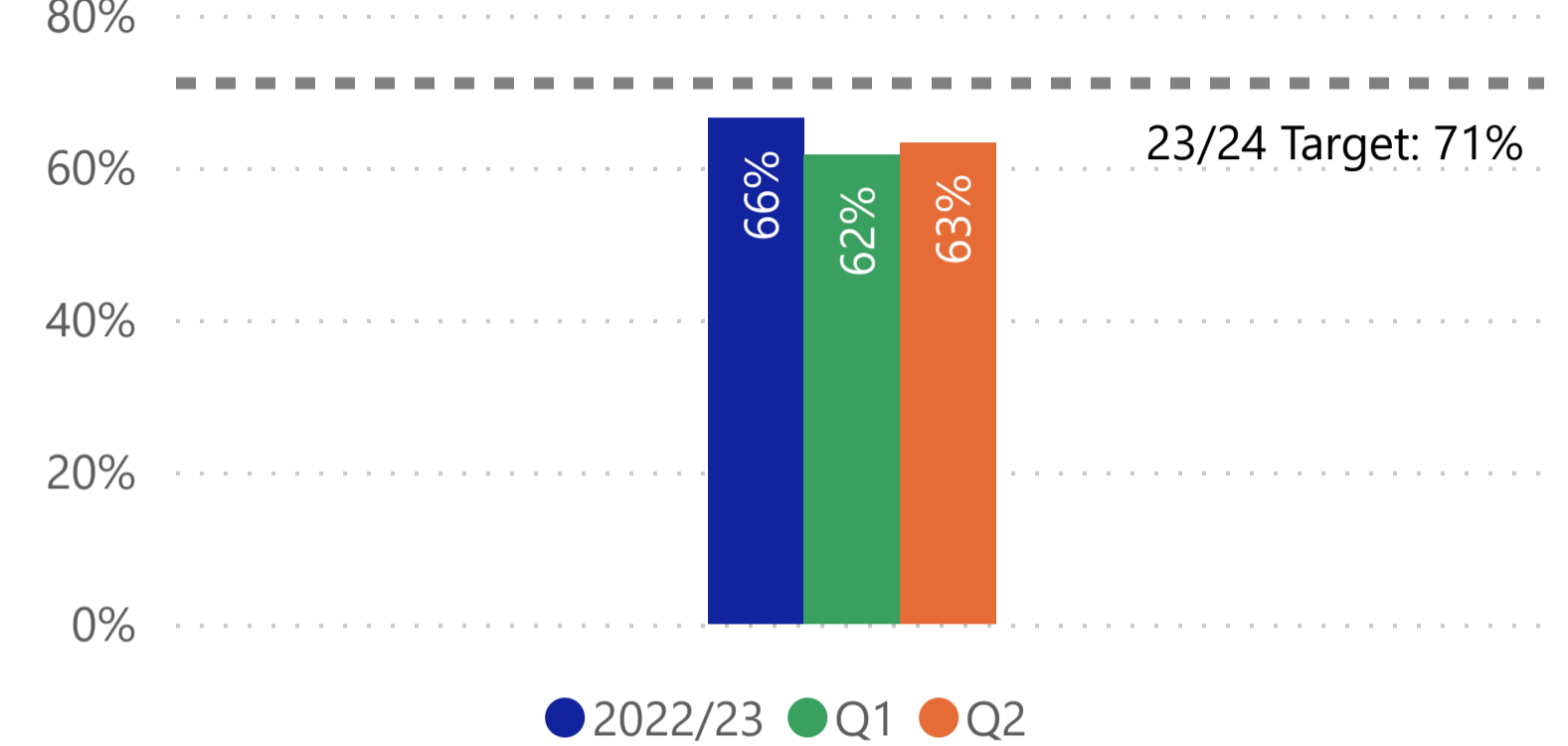
Satisfaction that the landlord makes a positive contribution to neighbourhoods



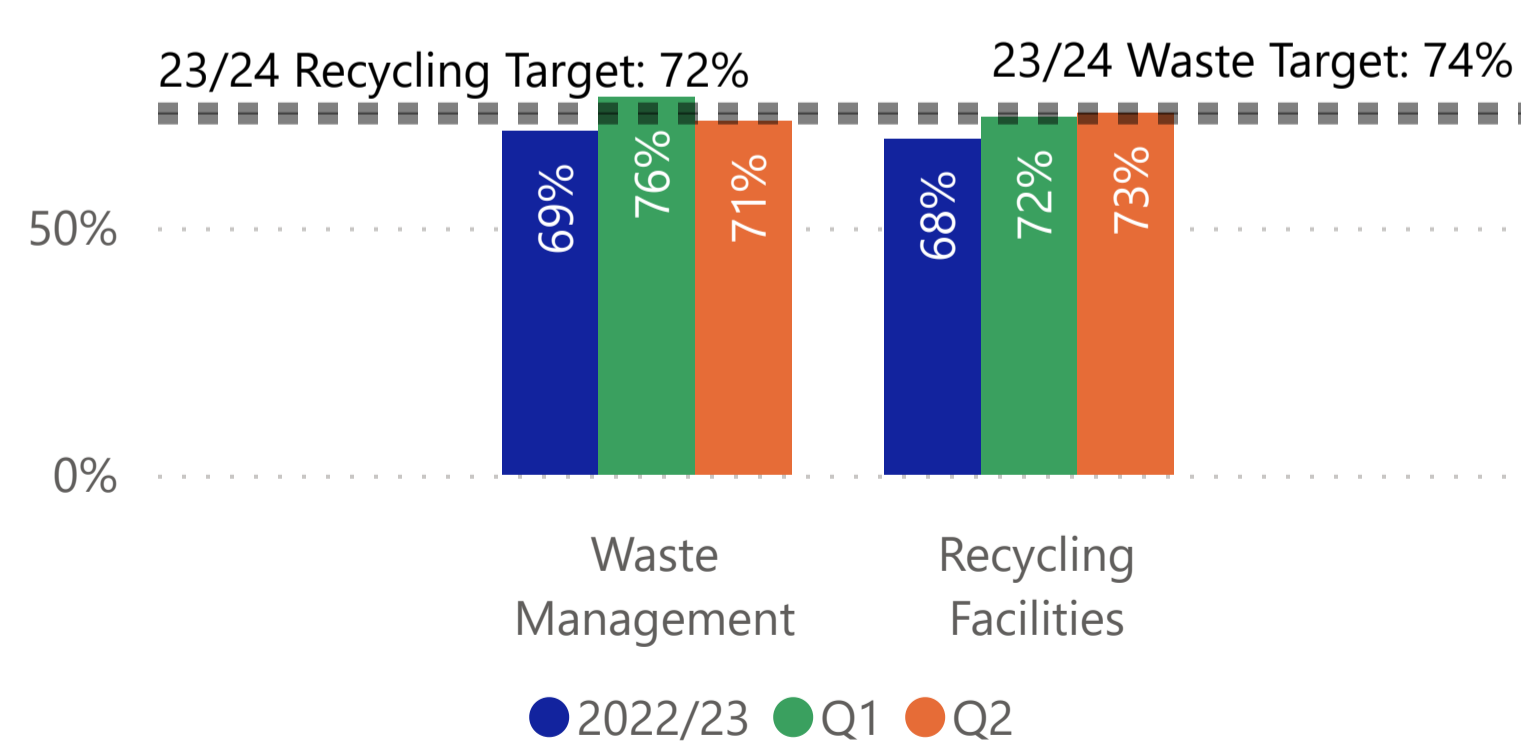
Satisfaction that the landlord keeps communal areas clean and well-maintained



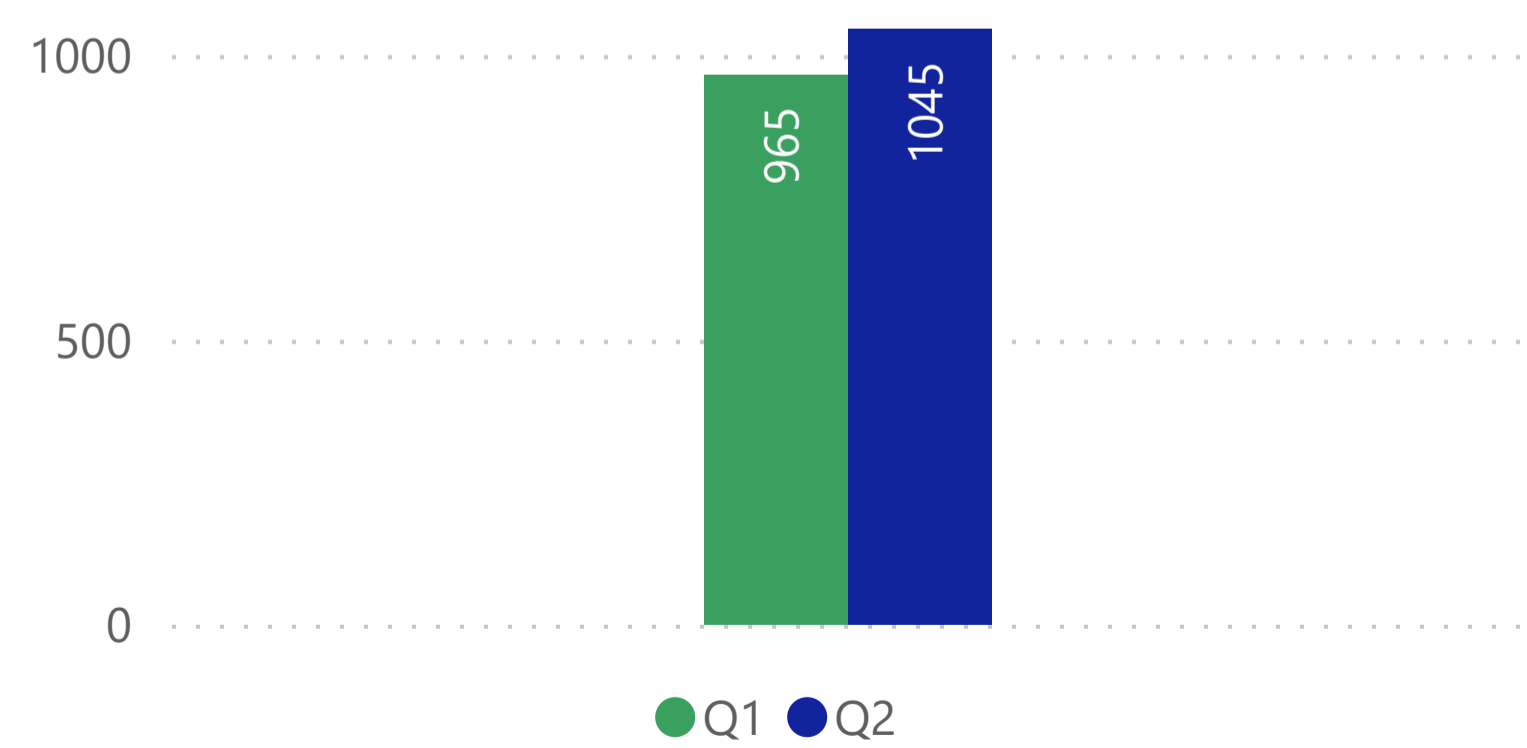
Satisfaction with the shared green areas around my home are well maintained



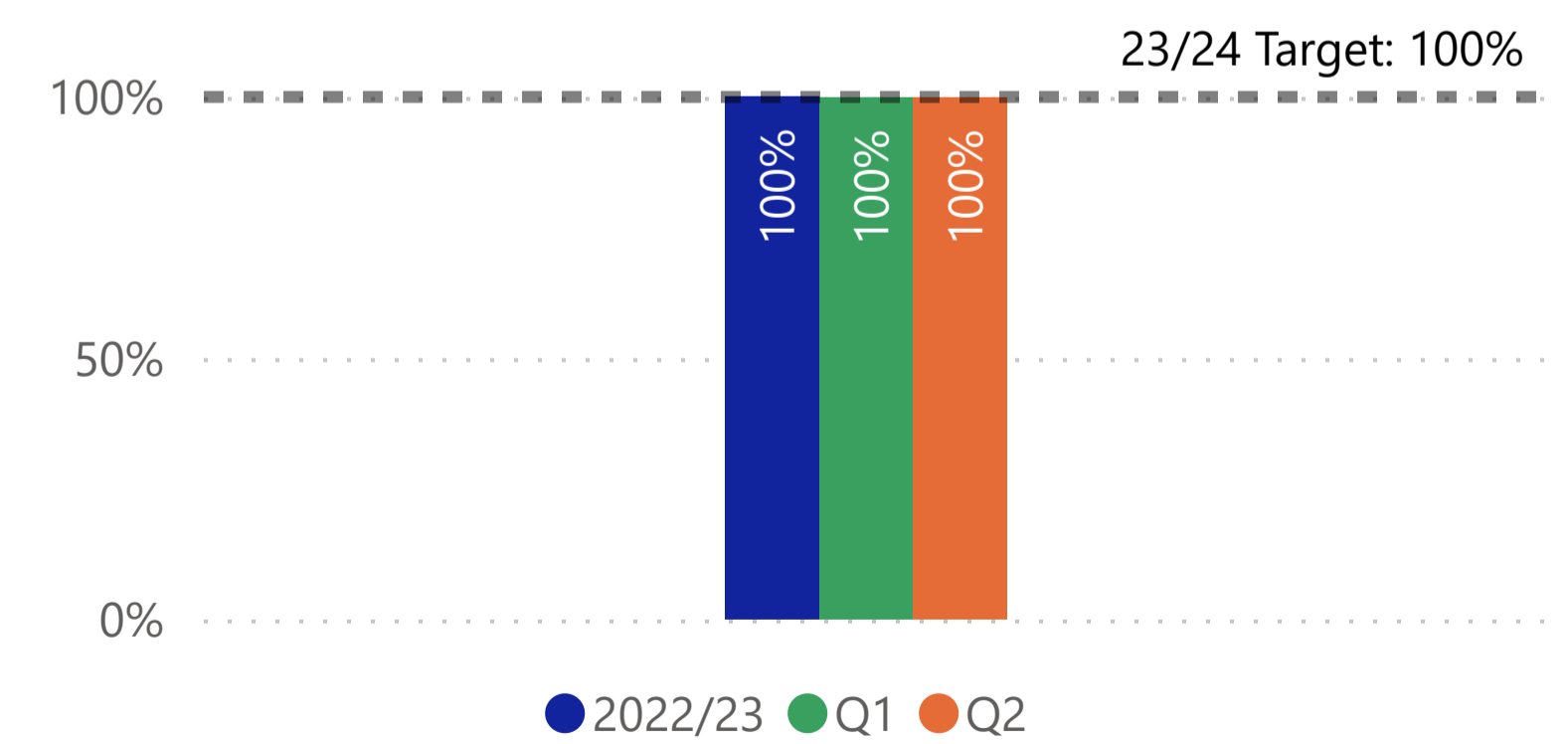
Satisfaction with communal waste management & recycling facilities



Number of flytipping reports

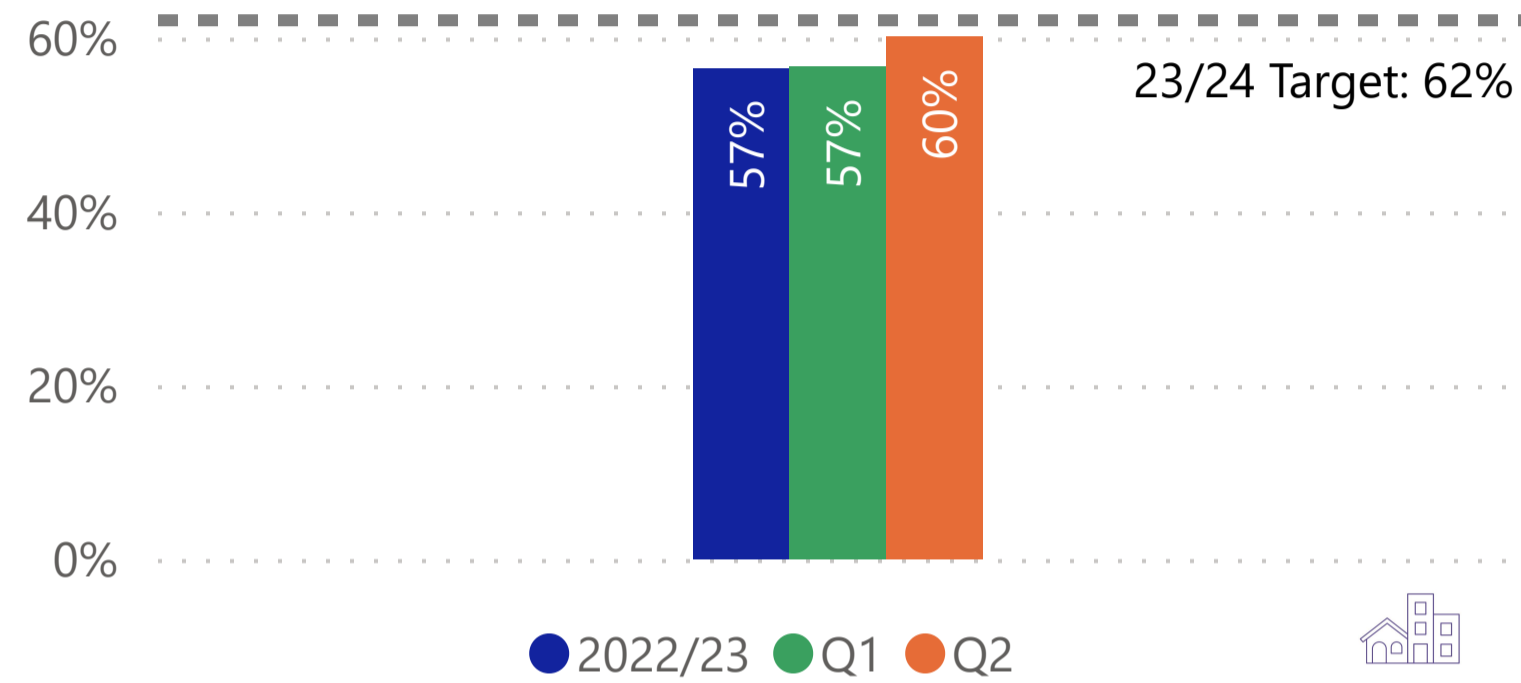


Percentage of fly-tipping removed within 24 hours

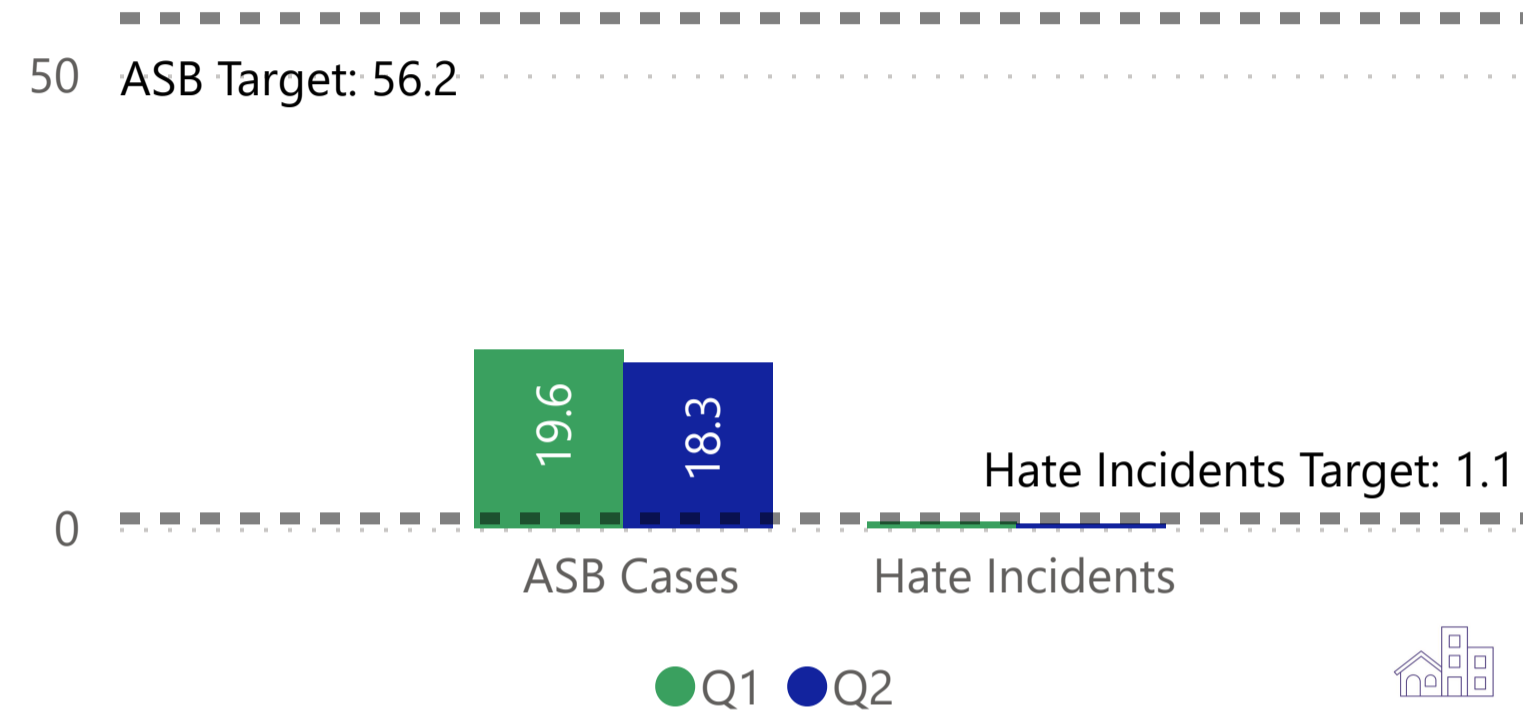


We will take care of your neighbourhood

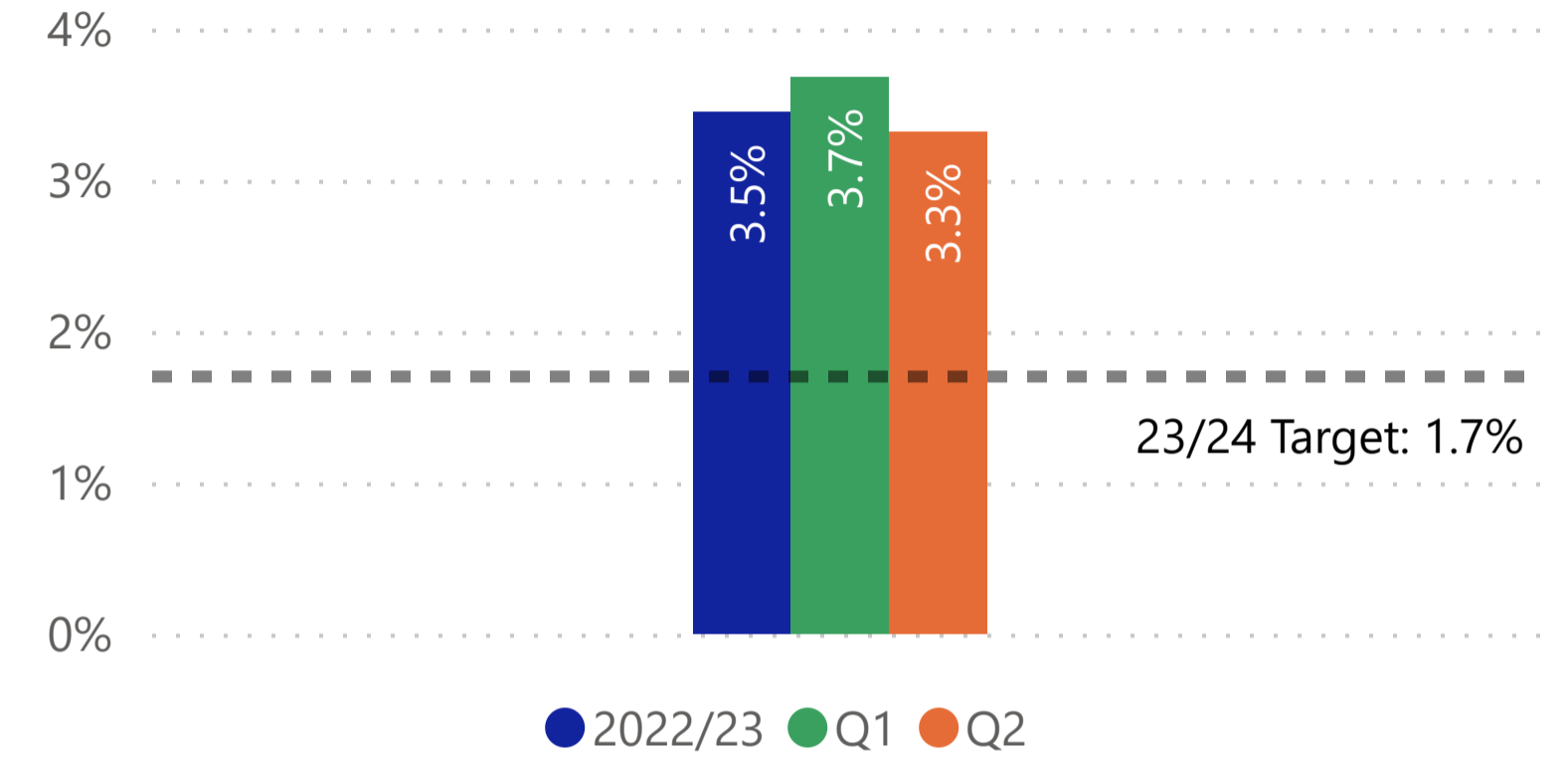
Satisfaction with the landlord's approach to handling of anti-social behaviour



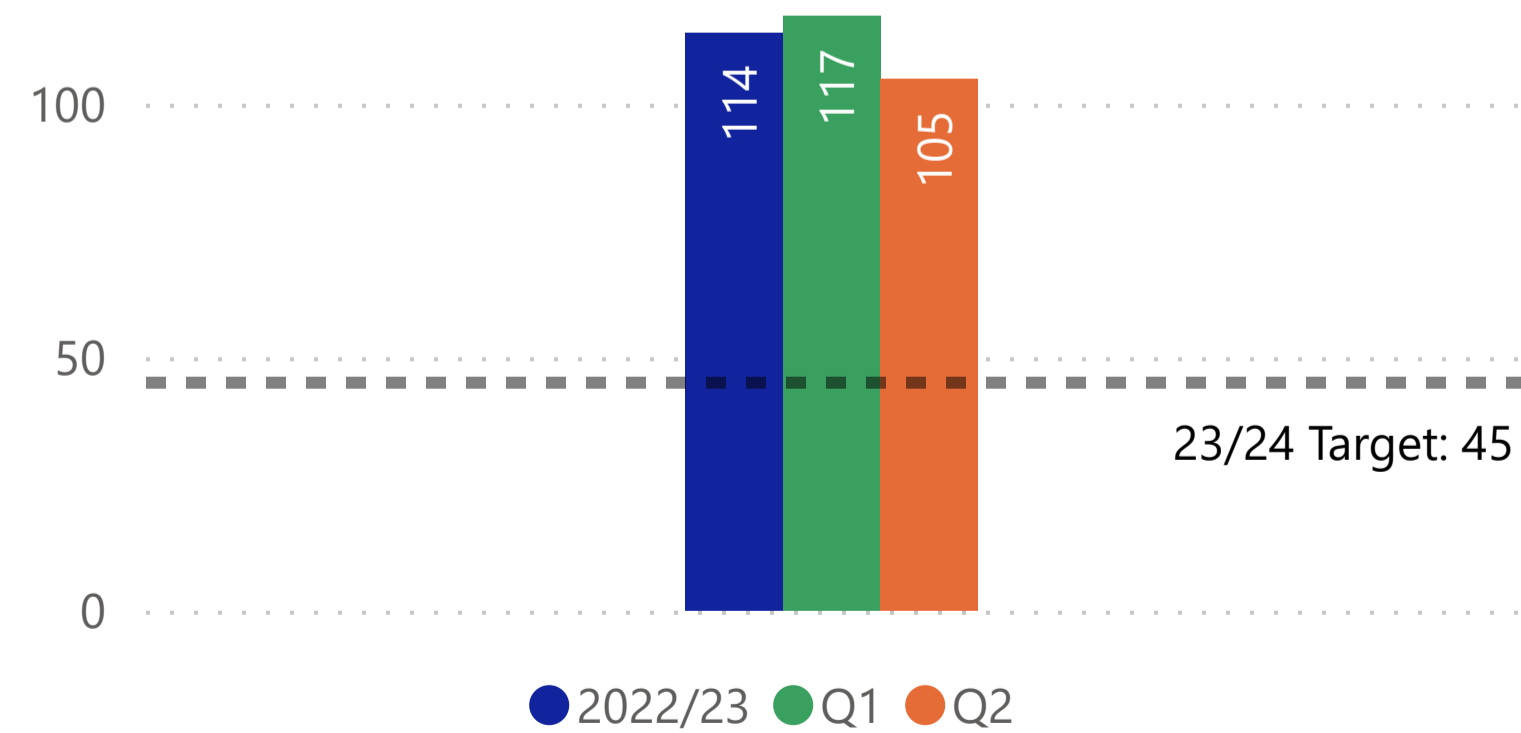
Number of anti-social behaviour cases opened per 1,000 homes



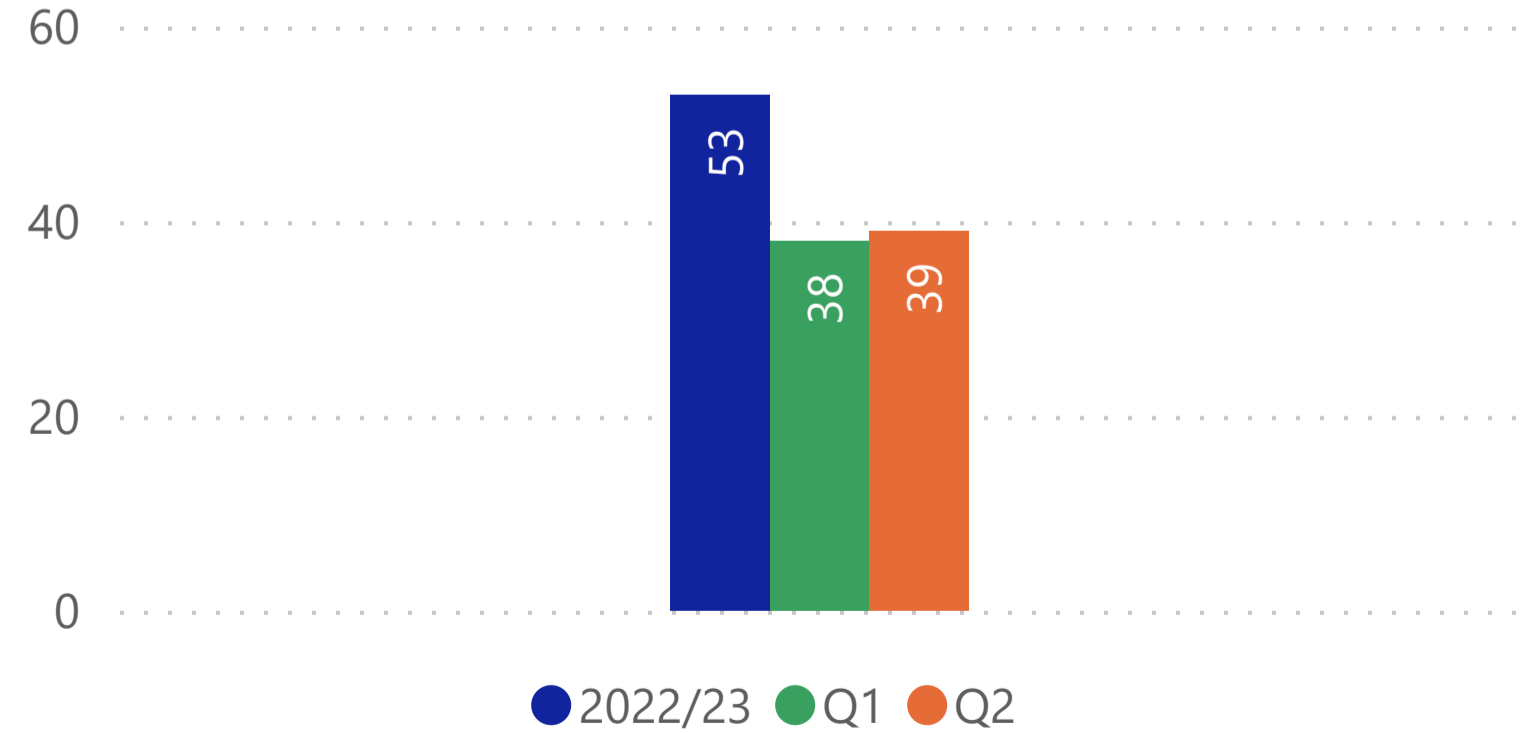
Percentage of rent loss from all vacant properties



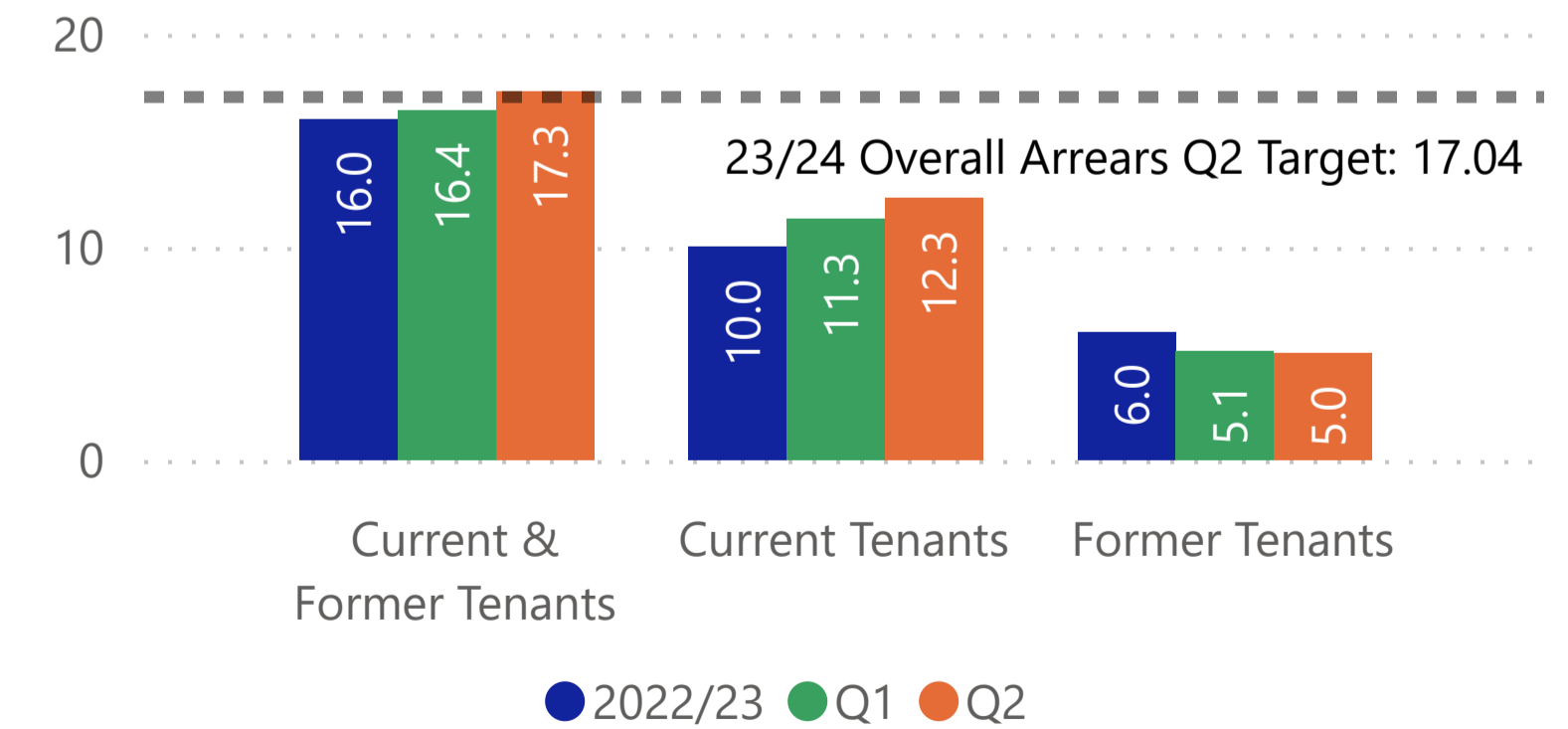
Average calendar days taken to re-let all empty properties



Average time taken to complete void property repairs (days)

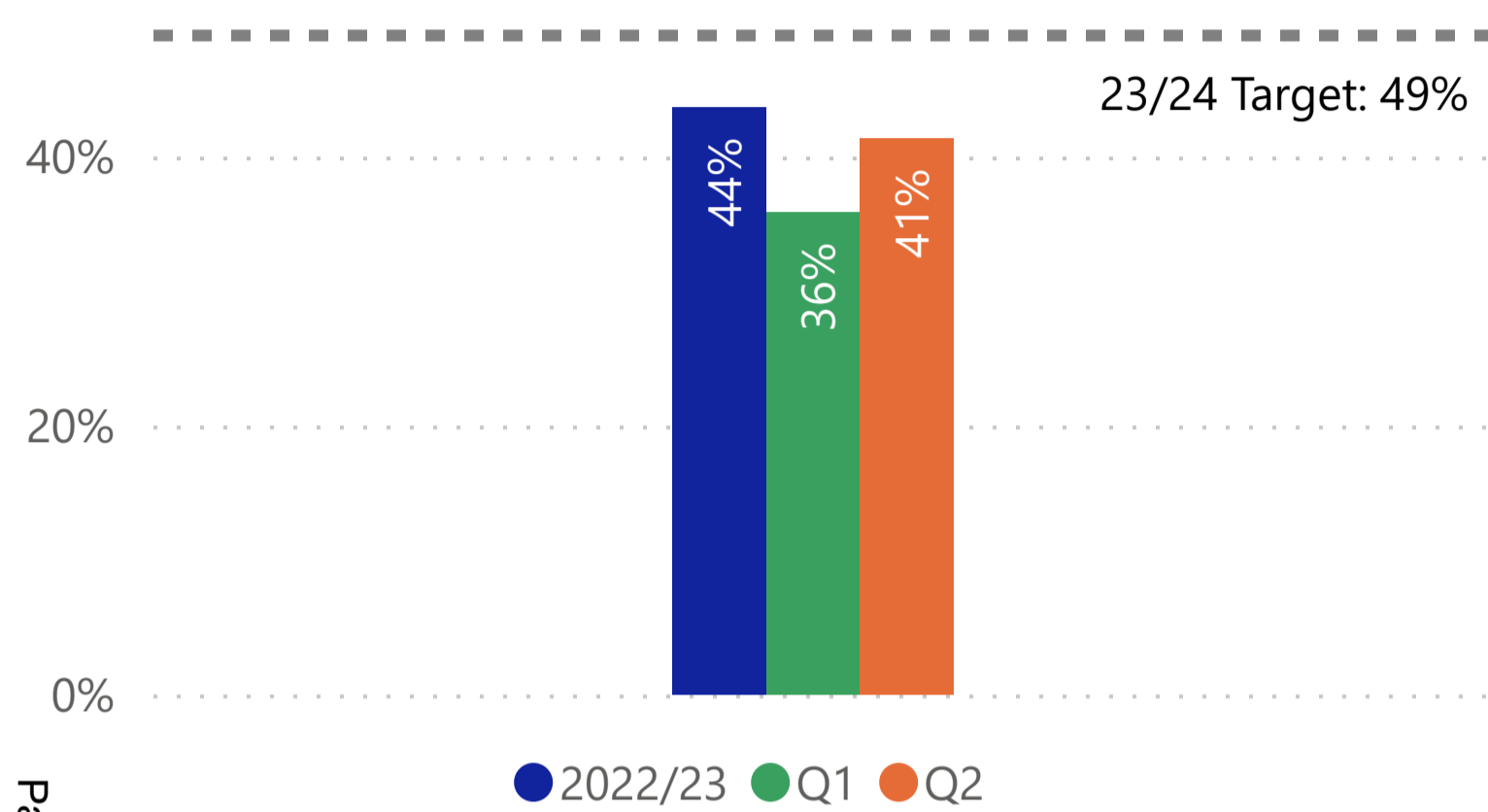


Total rent arrears owed by current and former tenants (£m)

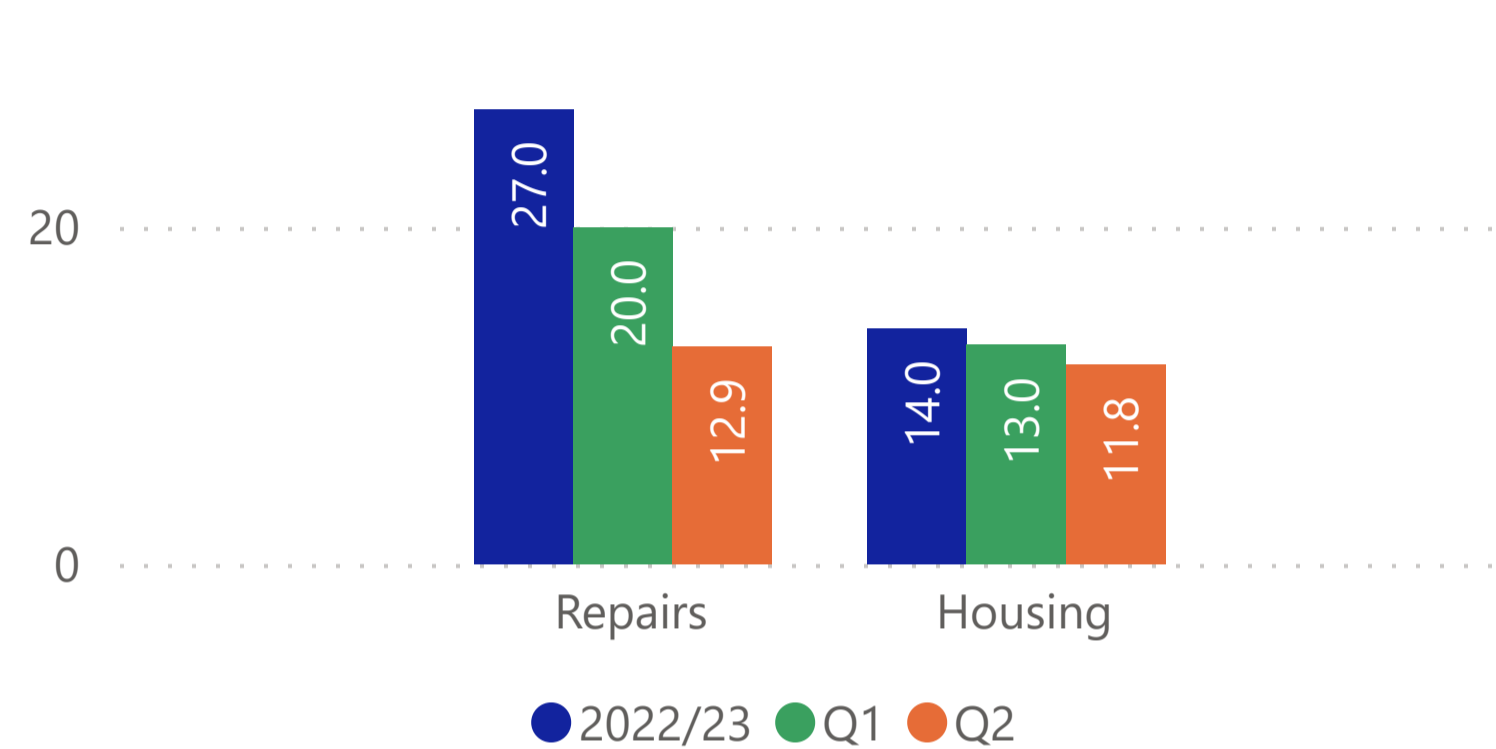


We will provide a good service to you

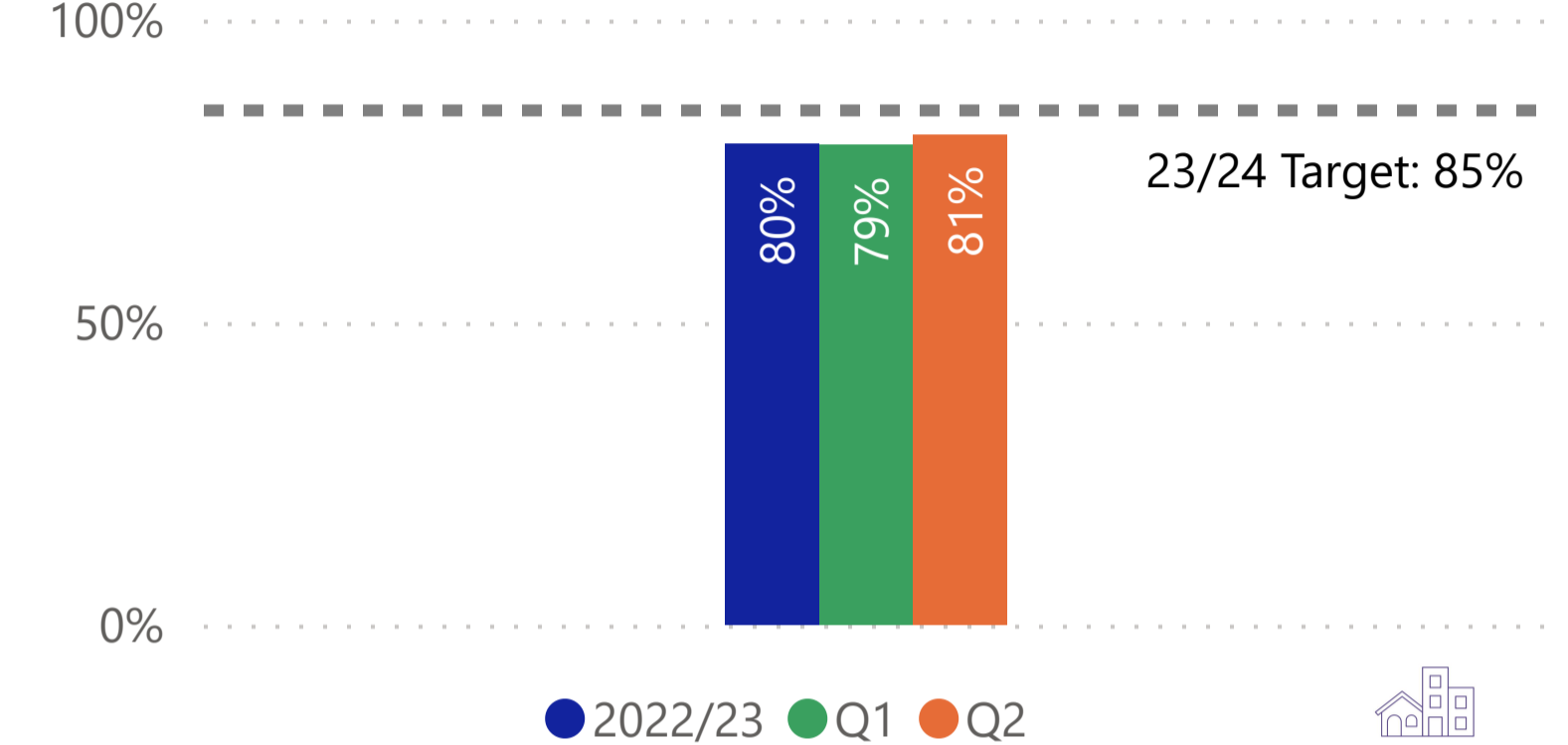
Satisfaction with how easy it is to contact us



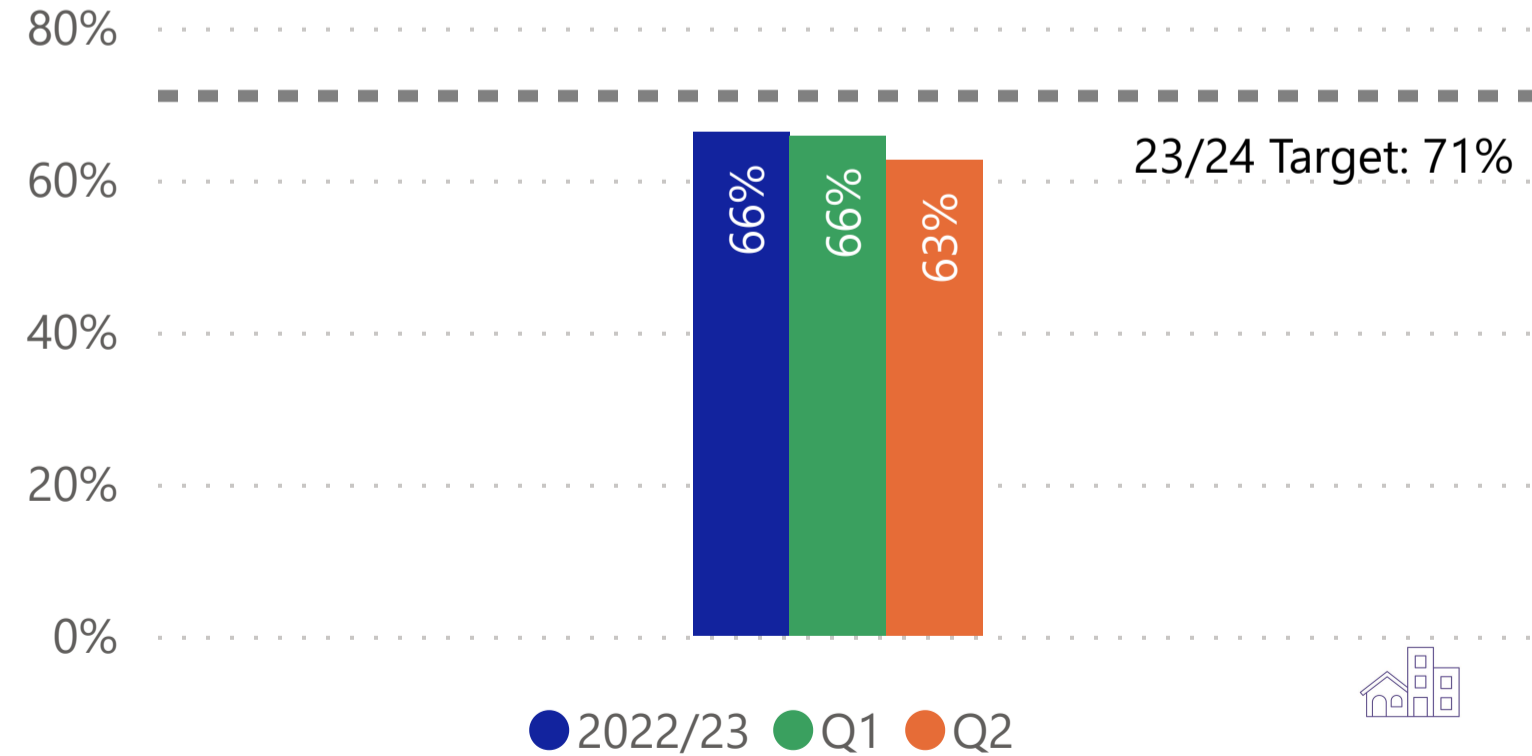
Average call waiting times for housing and repairs (minutes.seconds)



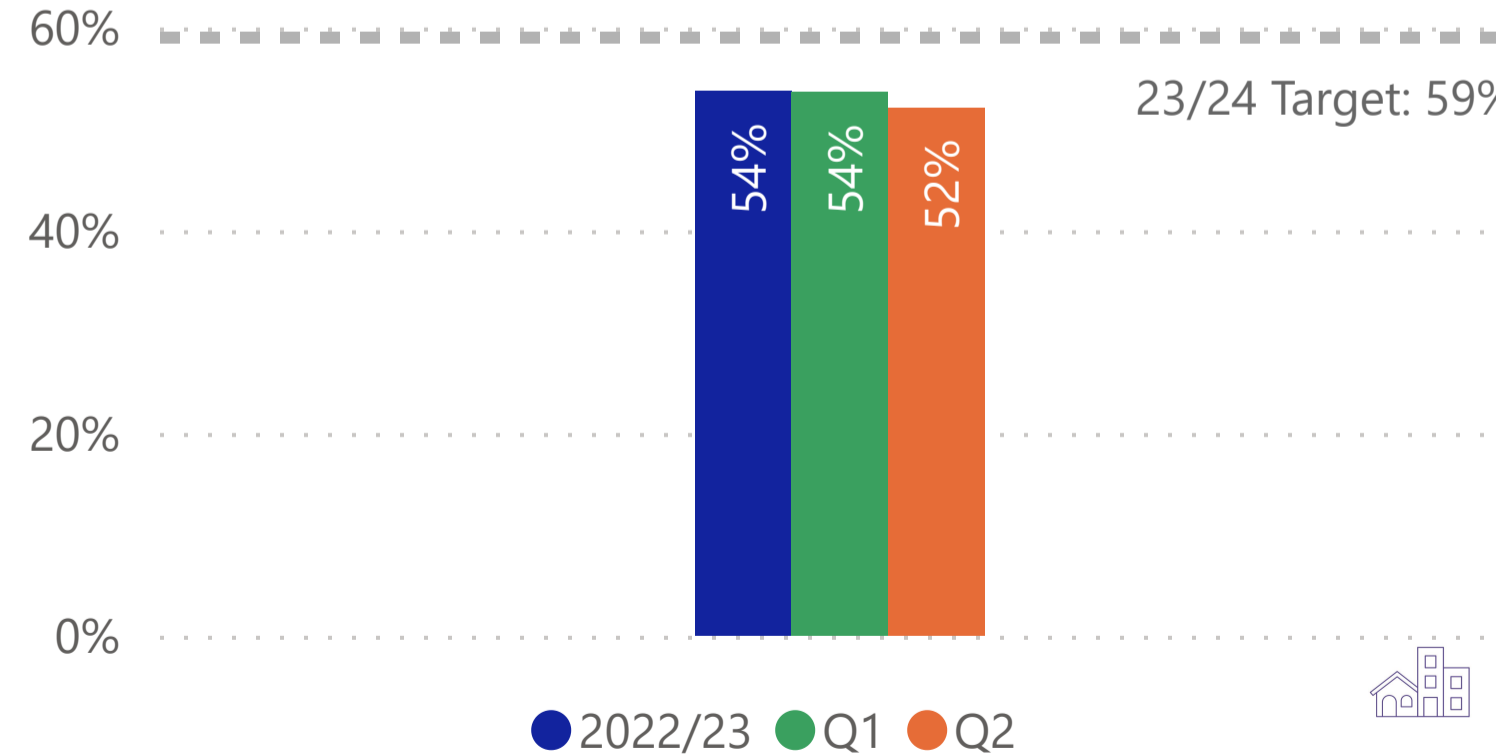
Agreement that the landlord treats tenants fairly and with respect



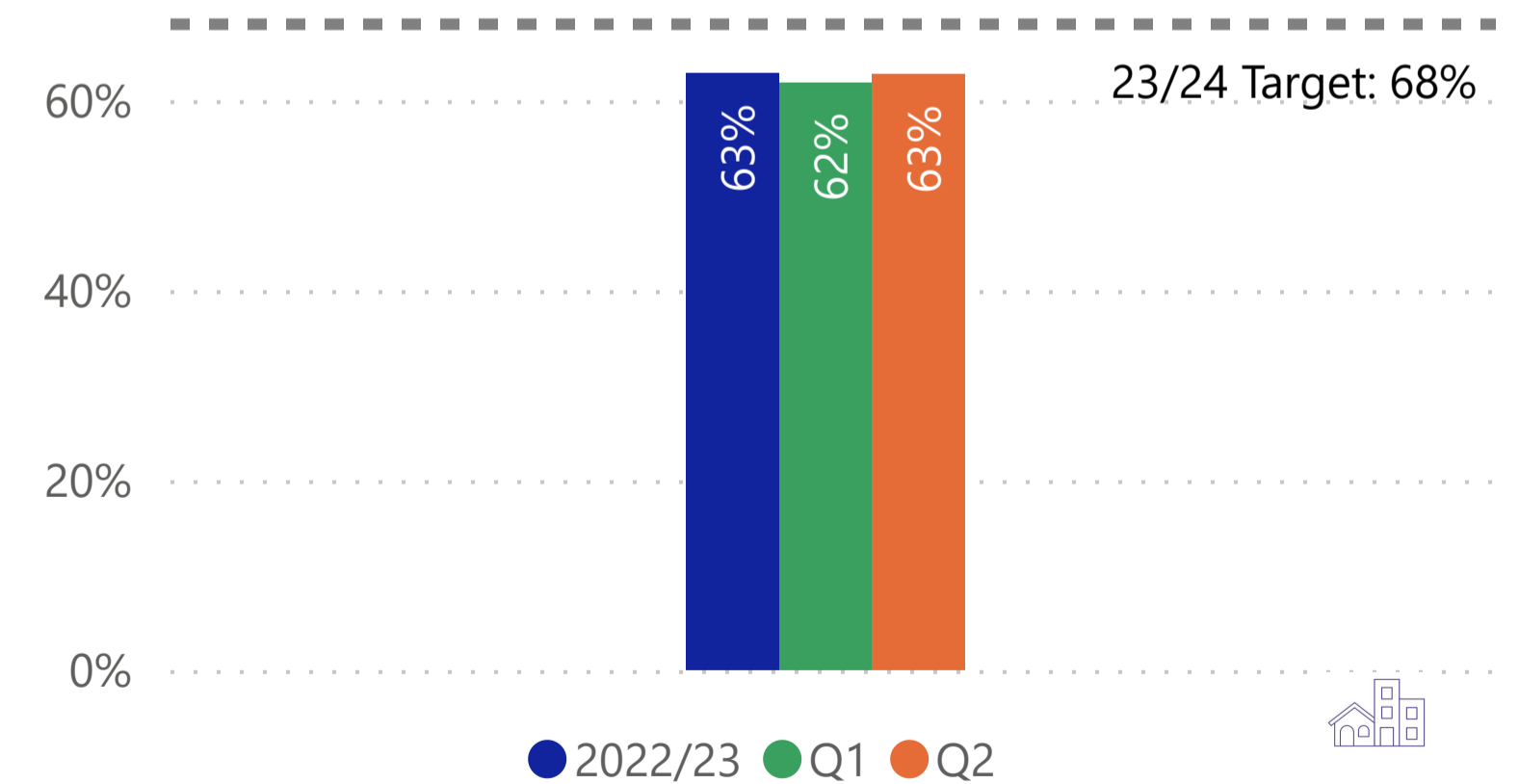
Satisfaction that the landlord keeps tenants informed about things that matter to them



Satisfaction that the landlord listens to your views and acts upon them

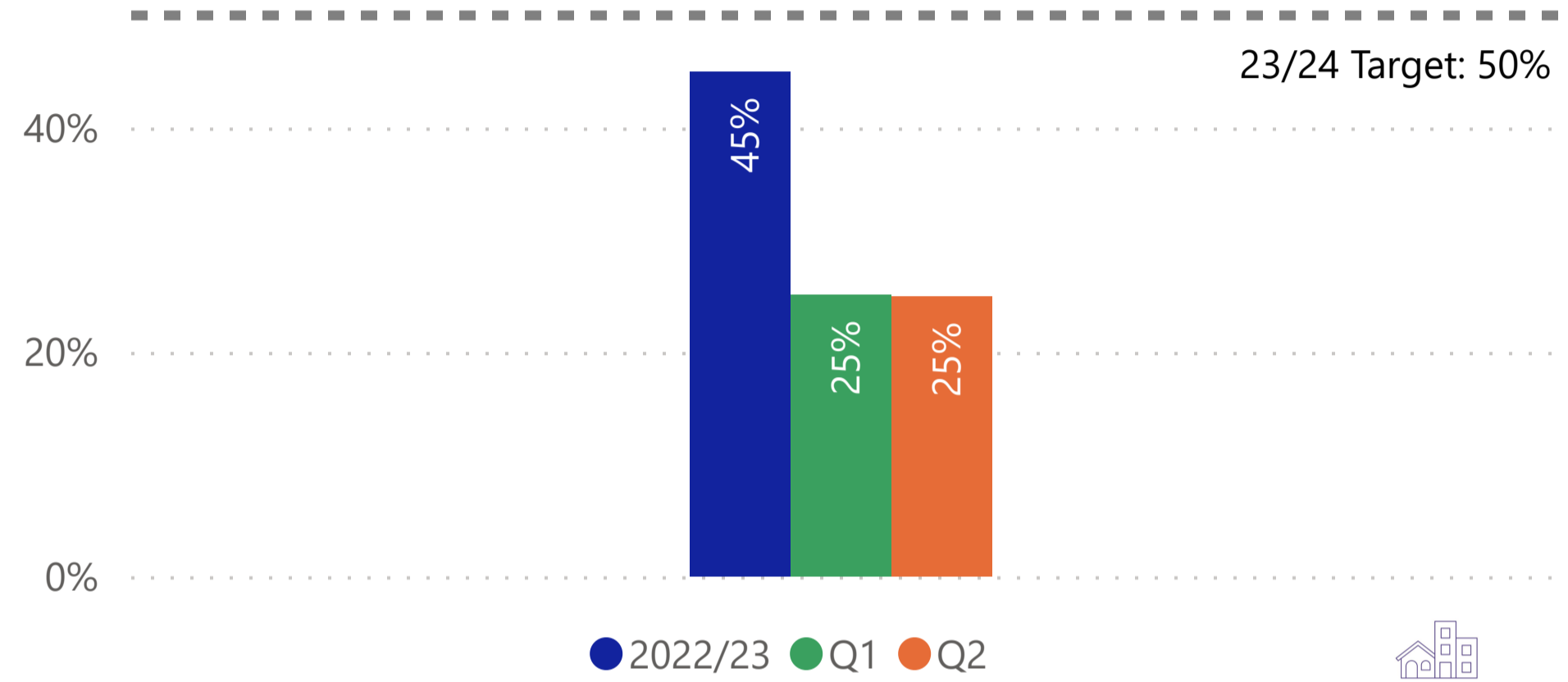


Satisfaction with the overall service



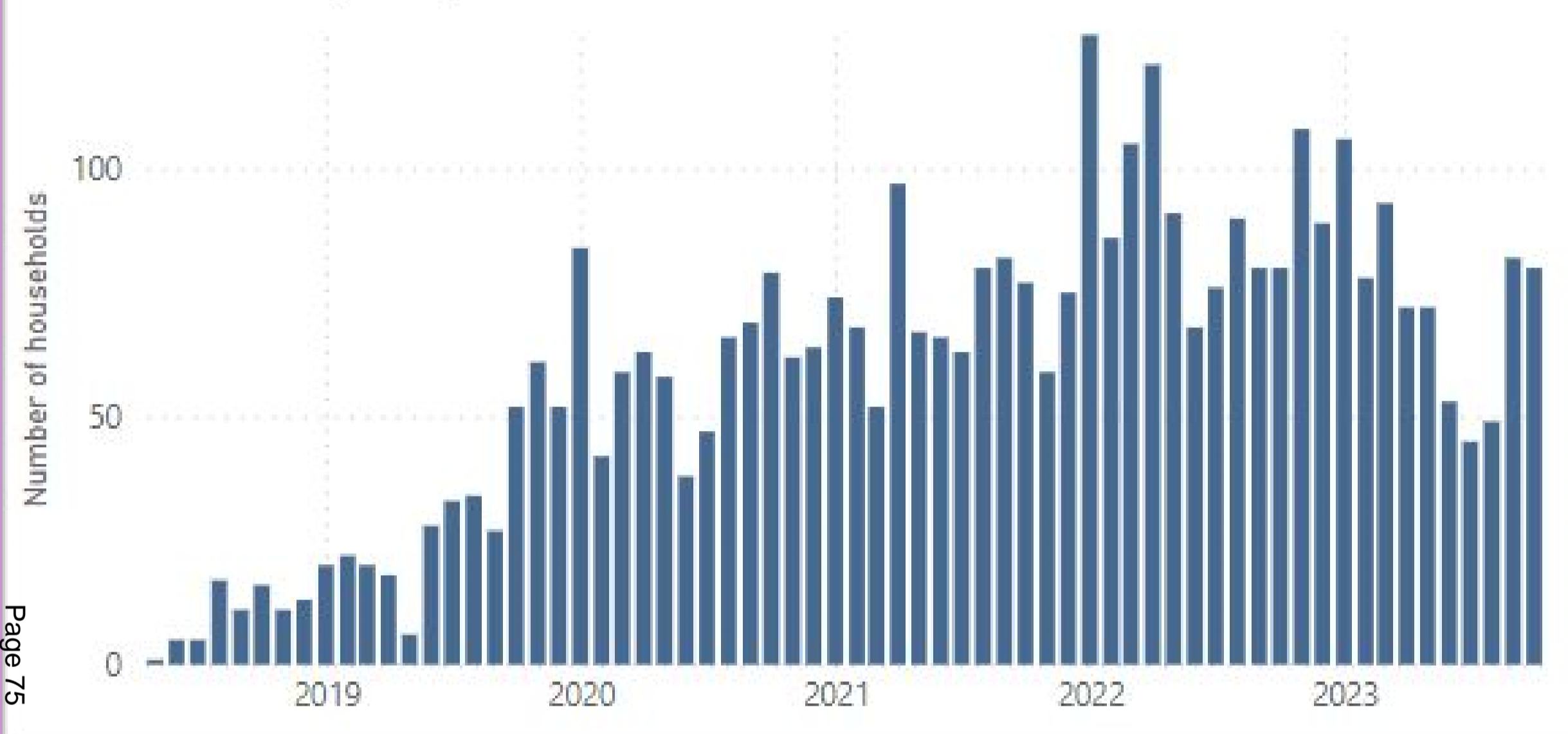
We will provide a good service to you

Satisfaction with the landlord's approach to handling of complaints

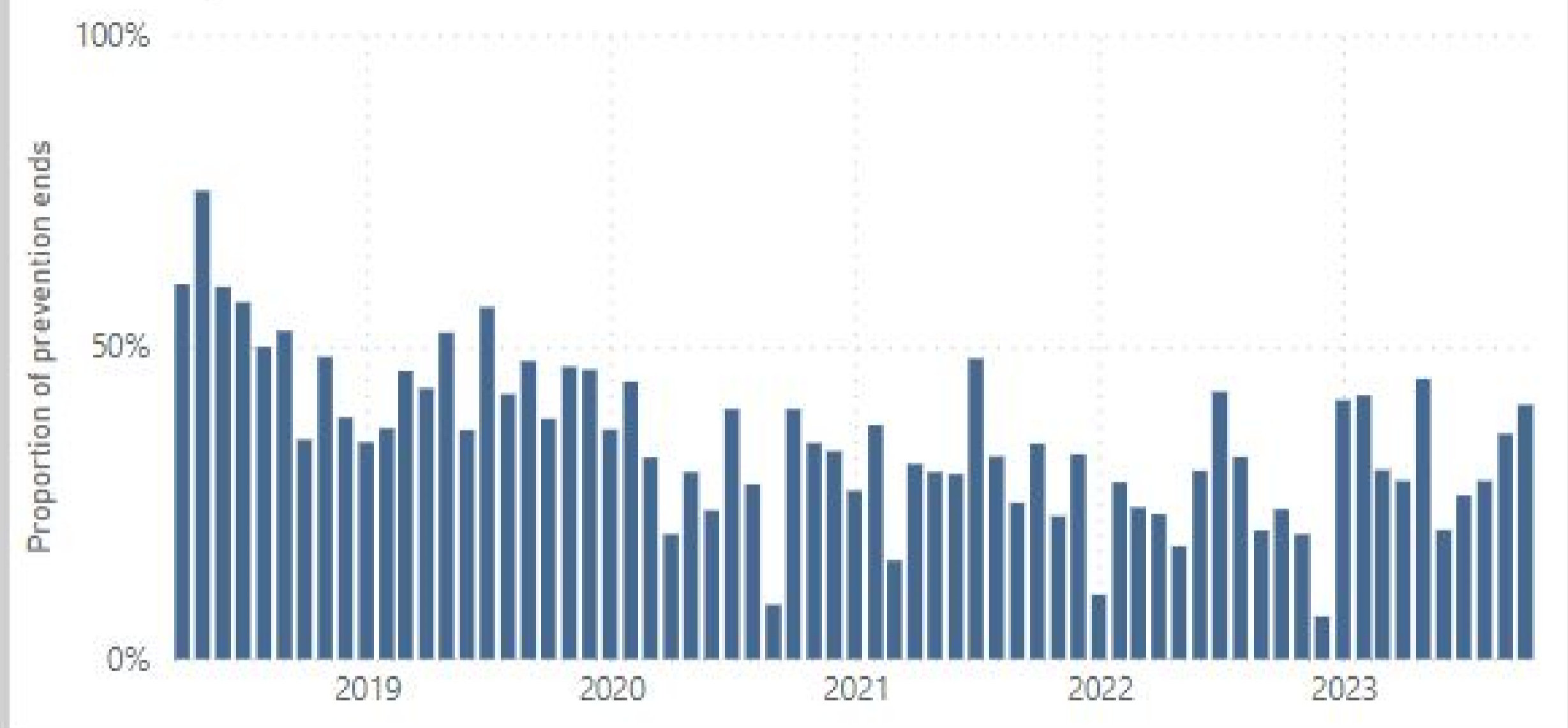


Helping to prevent homelessness

Homelessness duty acceptances



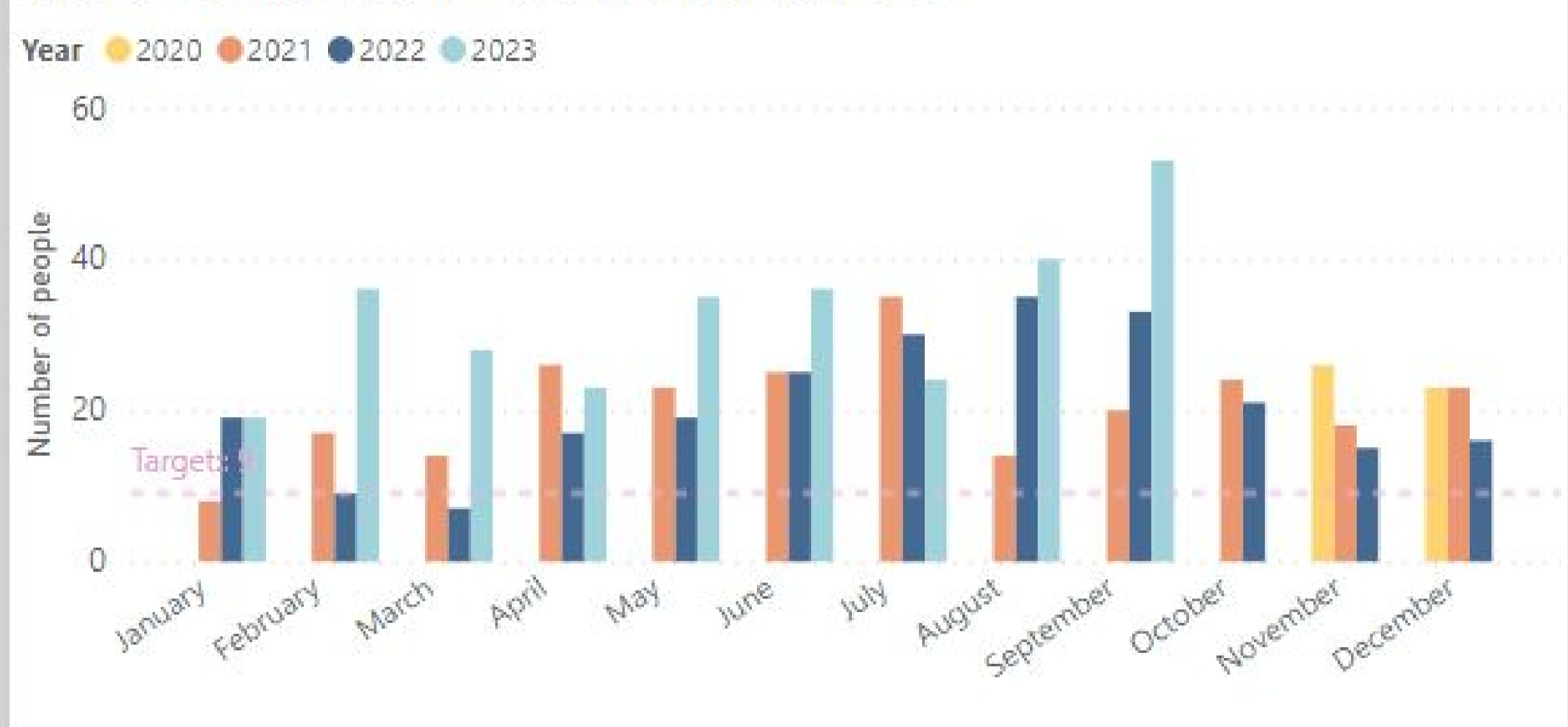
Successful prevention outcomes



Number of households in temporary accommodation or bed and breakfast

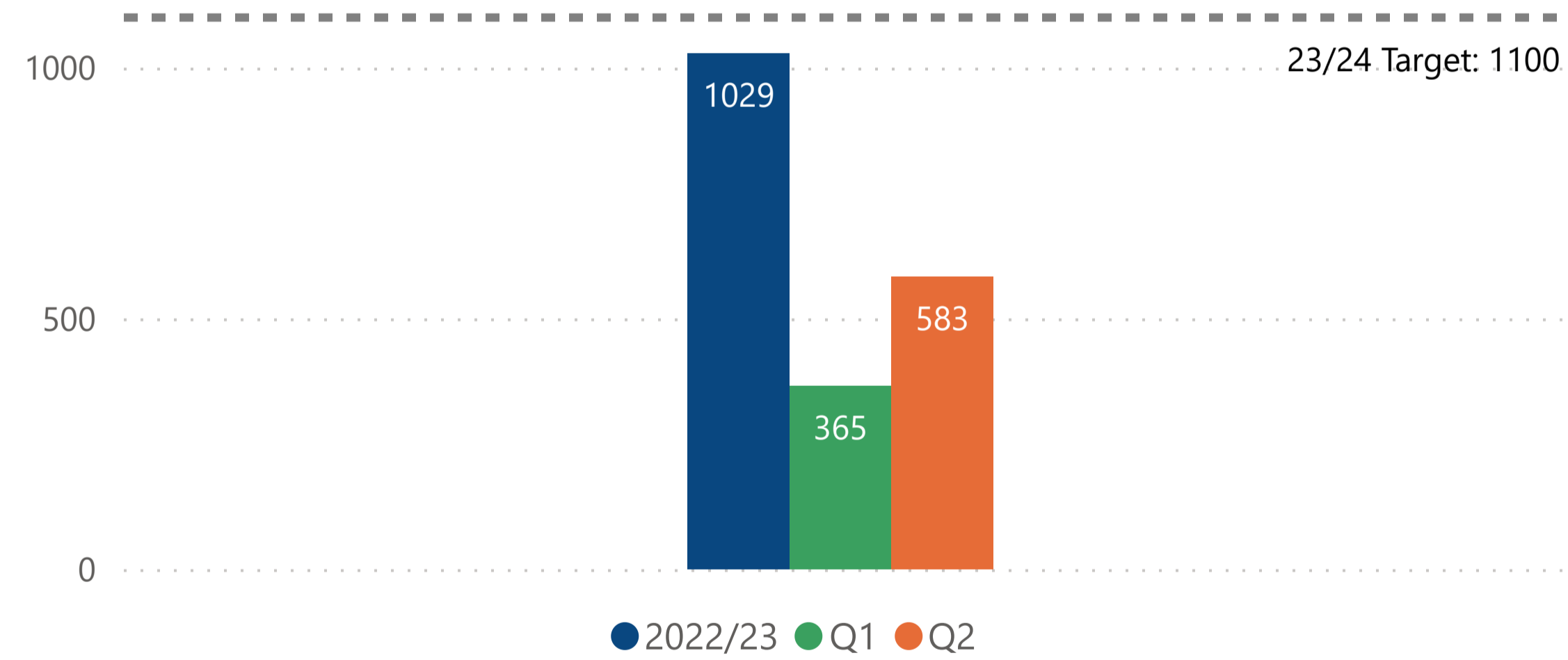


Number of rough sleepers identified at monthly count

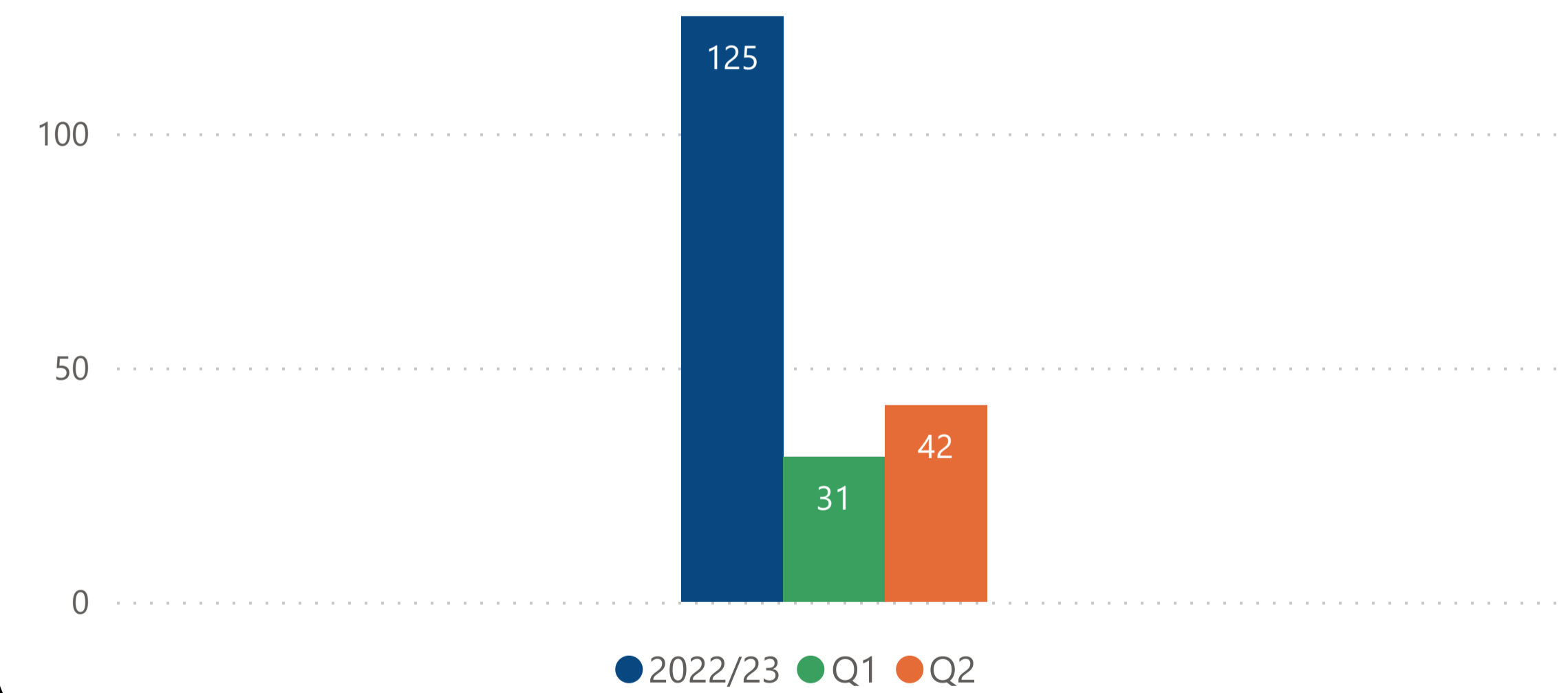


Making private rented homes safer

Number of people living in private rented homes made safe by the removal of category 1 hazards, high scoring category 2 and statutory nuisances



Number of category 1 / high category 2 issues relating to fire safety that have been resolved





Report to Policy Committee

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

Tel: 0114 2735493

Report of: Executive Director, Neighbourhood Services

Report to: Housing Policy Committee

Date of Decision: 14 December 2023

Subject: Housing Revenue Account (HRA) Business Plan 2024/25

Type of Equality Impact Assessment (EIA) undertaken	Initial <input checked="" type="checkbox"/>	Full <input type="checkbox"/>
EIA reference 2398 covers the impact of the Rent Standard. This is the main planning assumption for this report. Individual EIAs have also been completed for other savings and pressures being considered by Strategy and Resources Committee in a related report.		
Has appropriate consultation/engagement 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 sets out the 2024/25 Housing Revenue Account (HRA) Business Plan. Each year the HRA Business Plan is reviewed and updated to set budgets and charges for the year ahead and to provide an updated 5-year plan and 30-year affordability profile.

The purpose of this report is to provide the Housing Policy Committee with an update on the current national and local housing context, regulatory requirements, the priorities for Committee action alongside capital and revenue spending plans for 2024/25. The Policy Committee will then be responsible for overseeing the scrutiny and, delivery of those plans on behalf of the Council housing tenants of Sheffield.

Recommendations:

It is recommended that the Housing Policy Committee: -

- a) notes that the HRA Business Plan report for 2024/25, the HRA Business Plan priorities for 2023/24 and HRA Revenue Budget 2023/24 as set out in the Financial Appendix, will go to the Strategy and Resources Policy Committee at its meeting in January 2024, for recommendation to Full Council for approval;
- b) notes that once adopted by Full Council, monitoring delivery of HRA Business Plan priorities will be within the remit of Housing Policy Committee and a regular performance reporting schedule will be approved;
- c) notes the recommendation for the increasing of Council rents for 2024/25 in line with the Government's Rent Standard

Background Papers:

Appendix A - Summary of Tenant Consultation on the Priorities

Appendix B - HRA Business Plan and Financial Appendices 2024/25

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.	Finance: Helen Damon
		Legal: Meurig Tiley
		Equalities & Consultation: Louise Nunn
		Climate: Nathan Robinson
	<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	SLB member who approved submission:	<i>Ajman Ali, Executive Director for Neighbourhoods</i>
3	Committee Chair consulted:	<i>Douglas Johnson, Chair, Housing Policy Committee</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 SLB 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: 6th December, 2023	

1. PROPOSAL

- 1.1.** This report sets out the 2024/25 Housing Revenue Account (HRA) Business Plan. Each year the HRA Business Plan is reviewed and updated to set budgets and charges for the year ahead and to provide an updated 5-year plan and 30-year affordability profile.
- 1.2** The purpose of this report is to provide the Housing Policy Committee with an update on the current national and local housing context, regulatory requirements, the priorities for Committee action alongside capital and revenue spending plans for 2024/25. The Policy Committee will then be responsible for overseeing the scrutiny and, delivery of those plans on behalf of the Council housing tenants of Sheffield.
- 1.3** The HRA Business Plan is included as Appendix B to this report. It provides a more detailed analysis of the current operating environment, the priorities for the HRA over the next 12 months and an overview of revenue and capital spending proposals over both the 5 and 30-year life of the Business Plan.

2. BACKGROUND

- 2.1** The HRA is the financial account of the Council as a landlord. It is ring-fenced in law for income and expenditure in respect of council housing and housing land and certain activities in connection with the provision of council housing only. Other council services are funded through council tax and central government support which benefits all citizens of Sheffield regardless of tenure.
- 2.2** This HRA Business Plan report sets out how the estimated £181m income, predominantly from tenant rents, will be spent on delivering repairs, capital improvements and tenant services to more than 38,000 council homes across the city during 2024/25. It also includes a longer-term forecast looking forward over the next 5 years.
- 2.3** The focus for 2024/25 will be on restructuring the long-term Business Plan to ensure that there is a sustainable investment programme for council homes in Sheffield. The plan also focuses on improving the services that we provide to tenants to meet rising expectations, both of our customers and of the new regulatory environment.
- 2.4** The HRA Business Plan operates within a political environment therefore changes in both national and local policy can have a major impact and influence on the plan. The main impacts affecting this year's review include increased regulation of the social housing sector; increased costs to the HRA linked to inflation, a continued cost of living crisis impacting our tenants and the level of income we can generate for the HRA based on current Rent Policy.
- 2.5** Sheffield, like many other Local Authorities in the country, is facing increasing financial pressures and the impact of more stringent regulation. Income is not keeping up with costs making it increasingly difficult to ensure that homes are well managed and maintained by the Council.

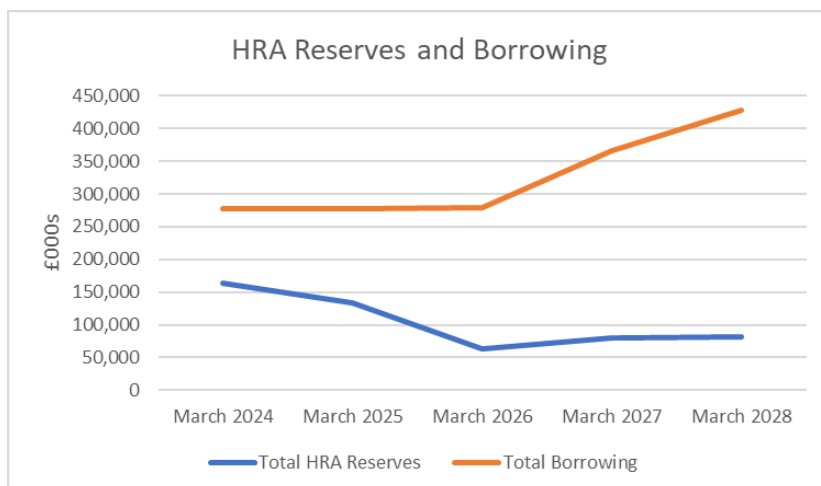
Increased investment in repairs and long-term capital improvement is now required to ensure homes remain compliant with the Decent Homes Standard. Recent Government directives restricting providers ability to set rents in line with inflation have reduced overall funding for the Council's HRA and is impacting on its 30-year viability. Tenant engagement is a priority to ensure that the Council is delivering on tenant commitments, working collaboratively across the Council and community to improve the overall quality of neighbourhoods in the city.

- 2.6** The annual update of the Business Plan provides the opportunity to review our current priorities for both service delivery and investment in council homes. A revised set of priorities were agreed for the Business Plan in 2023/24 to ensure that it remained responsive to tenants needs and to the economic situation at that time. These priorities have been reviewed as part of this plan and the recommendation is that these remain as the key focus for 2024/25.
- 2.7** The Housing Capital Investment Strategy focuses on a 'fabric first' approach to protect council housing assets, to reduce our ongoing and long-term repairs and maintenance obligations and increase tenants' satisfactions with their homes. We have now commenced an area-based investment approach to reflect local priorities that are important to residents and tenants. Close working arrangements are in place with the Council's Repairs Services to ensure alignment across Capital and Revenue investment.
- 2.8** The proposed 5-year Housing Capital Investment Programme including inflation is £450m for investing in existing Council homes and the current proposed stock increase programme is £255m (including external grants and funding), giving a total programme value for the forthcoming 5 years of £705m. This reflects the additional investment needed to improve Council housing stock and reduce over time the responsive repair budgets. The Financial Tables in Appendix B provide a breakdown of the main elements of the programme and their associated costs through to 2029.
- 2.9** This review of the HRA Business Plan for 2024/25 has maintained the remaining capital allocation to the SIP through to 2029. This budget is predicated upon a complex funding matrix which is continually changing. The current economic conditions mean there is a risk that homes delivered directly by the Council will cost the HRA more than their resultant market value, due to high site abnormal costs unless additional external funding can be secured. This is a similar issue faced by all Registered Providers in the city and, other Local Authorities. The limitations on the use of Right to Buy receipts set by government, present the Council with a risk of having to pay back receipts if the SIP does not satisfy the programme and/or tenure/type mix requirements.
- 2.10** The focus for the SIP to 2029 will be on acquiring new market homes, strategic acquisitions and directly delivering a small number of housing sites which remain viable and that will continue to meet an identified need for council housing in the city. This may lead to a review of commitments and the release of land where sites are no longer viable under current market conditions. We will continue to maximise the use of RTB receipts to maintain our programme of acquisitions, again to meet identified need. The Council's new Housing Strategy due to be

presented to the Council's Strategy and Resources Committee later this financial year will continue to set out the housing need and affordable housing requirements for the city and any gaps in provision. This will inform future discussions with the Housing Policy and other Committees to formalise the Council's wider housing growth ambitions throughout 2024/25 to maximise the use of available funding alongside the HRA capital allocation.

- 2.11** Sheffield City Council, its Leader and Chief Executive are working together with key partners in the city through the Sheffield Together Partnership with Homes England, the SYMCA, the Sheffield Property Association, and members of the South Yorkshire Housing Partnership to strengthen the focus on enablement, intervention, and delivery. We are actively reviewing all sites within the emerging Sheffield Plan for affordable housing compatibility and exploring a variety of affordable housing delivery models to strength pipeline across all delivery routes. We will look to enhance this relationship by exploring opportunities with RPs to maximise the use of available land in the delivery of new homes in circumstances where the Council is not able to directly deliver to address the overall affordable housing shortfall. This will be critical to ensuring that the range and type of affordable homes in the city continues to increase addressing together the annual affordable housing shortfall of 902 homes per year.
- 2.12** We will maintain a viable 30-year Business Plan by managing our rental income and operational expenses to reinvest in existing homes and neighbourhoods alongside the creation of new homes. This requires a rigorous approach to business planning and financial management to mitigate the impact of the challenges from national and local policy, whilst delivering on our priorities. The development of our Asset Management Strategy will inform the longer-term capital investment need for existing stock, which must be balanced with the resources that are available in the 30-year Business Plan. A robust process, following the new Asset Management Strategy in 2024, will be to refresh archetype option appraisals of Council housing stock, alongside a potential replacement or regeneration strategy.
- 2.13** We have assumed throughout our planning that rent will increase each year by the amount allowed by the Rent Standard (i.e., September CPI + 1%). A below Rent Standard increase would impact on the income throughout the 30-year Business Plan. For example, compared to Rent Standard, a 5% rent increase would result in a loss of up to £183m in income over the 30-year life of the Business Plan, leading to job losses and cuts in services for tenants. A 7% increase would result in a loss of up to £47m over the 30-years. A reduction in the assumed income would mean that costs would need to be reduced to balance the Business Plan.
- 2.14** Over the next 5-years we are planning to increase our borrowing to partially fund our Stock Increase Programme from increased rents from new supply. These loan repayments will be fully funded from the additional rental income from the resultant new properties and, when capital debt is repaid will create a surplus that can support the wider costs in the HRA in the longer term. Investment into our existing stock will be funded through a mixture of revenue, capital receipts and capital reserves. The graph below presents the 5-year position on borrowing

and reserves. This shows the increasing use of reserves to fund the capital investment programme up to 2026 before undertaking new borrowing from 2026, for the existing stock. After 2026 this will require a revenue budget to be identified within the operating model to cover the cost of any loans taken out to fund improvements for existing stock.



2.15 The development of the Asset Management Strategy will be critical to any decision making around future investment priorities. It will inform stock option appraisals to review our stock profile, consider the impact of individual archetypes on our capital and repairs costs, and balance our tenant demand and need profiles to ensure that the Business Plan remains viable. These will be difficult decisions that will impact on the services and homes that we offer our tenants. They will potentially impact on the number of homes we own but will be necessary to deliver a sustainable future for council housing in the city. This could also involve reducing any stock that has a negative impact on the overall HRA Business Plan so that the level of Council homes and, our ability to service long term debt from increased borrowing remains balanced over 30-years.

3. HOW DOES THIS DECISION CONTRIBUTE?

3.1 The Housing Revenue Account Business Plan for 2024/2025 will maximise the financial resources available to deliver outcomes to council tenants in the context of a self-financing funding regime. This must be set in the context of significant national developments, a challenging economic climate, and reductions in government funding.

3.2 The Council is collaborating with communities and partners on the development of Sheffield's new City Goals. The **City Goals** will become a driving force to support partnership working across the city. With the Goals being developed collaboratively, a key aim is that this will promote a joined-up approach to delivery, recognising that everyone has a role to play in Sheffield achieving its ambitions. The draft Goals include themes around thriving communities, and a green and resilient Sheffield – and ensuring people have access to a good quality and affordable choice of housing across our city is fundamental to the

wellbeing of our communities and the city's prosperity.

- 3.3** The new 4-year Council Plan demonstrates the Council's role in helping the city to achieve its City Goals. The Council Plan will set out an ambitious set of outcomes and priorities, providing clear medium-term purpose and direction for the whole organisation. Aligned to the 4-year Medium Term Financial Strategy, the new Council Plan will focus on getting the best outcomes for the people of Sheffield and the city's long-term prosperity as we lead the transition to a net zero future. Having an ambitious and high-quality housing offer for citizens is central to those ambitions and this will be further detailed in the new **Housing Strategy** being discussed by Members later this financial year.
- 3.4** The **Race Equality Commission** published its final report in July 2022. The outcomes of the report reflect specific concerns for the housing sector in Sheffield. We have an important role in acknowledging and acting on recommendations included in the report. We have a significant Black, Asian and Minority Ethnic (BAME) population amongst our council tenants and recognise that the allocation of HRA funds will inherently impact the housing of BAME individuals in Sheffield.
- 3.5** The primary purpose of **Local Area Committees** (LACs) is to promote the involvement of local people in the democratic process and to bring decision making closer to local people. There are seven LACs covering different areas of Sheffield and there is council housing stock in each of these areas. Issues discussed in LAC forums often relate to council housing and HRA funded activities. It is important that we engage with these forums where issues link to our activities. These forums are a way for us to engage with residents and gather a broad range of views on HRA funded activities.
- 3.6** The proposed priorities also link closely with the **Council Values**. These values guide how we do things each day, individually and together, to deliver services to our customers. Putting tenants at the heart of what we do, being open and honest in our dealings with tenants and working together to achieve the best outcome are themes that run strongly through the delivery of the Business Plan.

4. HAS THERE BEEN ANY CONSULTATION?

- 4.1** Consultation on business plan activities takes place throughout the year as part of our formal tenant governance activities. This helps us to understand what tenants think about the delivery of current services, but also to identify their priorities and shape future service needs.
- 4.2** Appendix A sets out the full details of the consultation recently undertaken on the draft priorities contained within the Business Plan for 2024/25. The consultation helped us to gain a better understanding of tenant's views of our council housing spending priorities. The priorities which ranked highly are the areas where we will invest both time and financial resources in improving services to tenants. The proposals in this Business Plan, particularly the increased investment in repairs and in tackling damp and mould (as discussed at September's Housing Policy Committee) support this as a priority for customers. It is positive that we are also seeing some performance and

satisfaction improvements in areas that are a priority for tenants around repairs, ASB and customer contact. This consultation does also show that we still have a lot to do to deliver on the expectations of our customers and this will help to shape our improvement planning for 2024/25.

5. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

5.1 Equality Implications

There are no direct equality implications arising from this report. Equality Impact Assessment reference 2398 covers the impact of the Rent Standard. This is the main planning assumption for this report. Individual EIAs have been completed for other savings and pressures being considered by Strategy and Resources Committee in a related report.

5.2 Financial and Commercial Implications

The HRA Business Plan allows for a continuation of services to tenants, revenue repairs to properties and financial support for the Council Housing Capital Programme by means of a contribution from revenue. Any annual revenue surpluses on the account will continue to support the 30-year Business Plan.

The Council Housing Capital Programme including the stock increase programme will require the HRA to support further borrowing, as allowed under the current Government guidelines. The debt strategy for the HRA will continue to be reviewed and developed in accordance with the Council's treasury management strategy.

The Commercial Resilience section of Appendix B explains the detailed commercial viability of the plan and the financial tables also in Appendix B set out the 5-year projections for the HRA Income and Expenditure Account and the 5-year capital programme. These are based on current assumptions and continue to be reviewed for known changes. Further details on the Council Housing Capital Programme will be set out in the Council's Capital Strategy.

5.3 Legal Implications

The provision of housing accommodation is set out in Part II of the Housing Act 1985. Statutory requirements regarding keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 ("the Act"). The provisions include a duty, under Section 76 of the Act, to budget to prevent a debit balance on the HRA and to implement and review the budget. The Act places a duty on local housing authorities to: (i) to produce and make available for public inspection, an annual budget for their HRA, which avoids a deficit; (ii) to review and if necessary, revise that budget from time to time and (iii) to take all reasonably practical steps to avoid an end of year deficit.

On 10 November 2020 the Ministry of Housing Communities and Local Government ('MHCLG') published guidance on the operation of the Housing Revenue Account ring-fence. This guidance updates and replaces Circular 8/95 published by the former Department of the Environment (DoE). It gives advice to local housing authorities in England on certain aspects of the HRA. This guidance restates ministers' established policy for the HRA and introduces no new issues of principle. However, it highlights the need to be fair to both tenants

and council taxpayers and that there should be a fair and transparent apportionment of costs between the HRA and General Fund.

In December 2022 the Government published an updated policy statement on rents for social housing from 1 April 2023 onwards and, pursuant to powers under section 197 of the Housing and Regeneration Act 2008, issued the Direction on the Rent Standard 2023. This required the Regulator of Social Housing to set a new rent standard, consistent with the Rent Policy Statement, with effect from 1 April 2023 and sits alongside the 2020 Rent Standard which continues to apply to supported housing. 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 and the more recent 2019 Direction. 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.

The basis for setting rent is set out under Section 24 of the Housing Act 1985 which provides that a local authority must make such reasonable charges as they determine for the tenancy occupation of their houses. The Council has a broad discretion in setting such reasonable rents and other charges as it may determine and must from time-to-time review rents and make such changes as circumstances may require. The duty to review rents and make changes is itself subject to the requirements for notice of a variation set out in Section 103 of the 1985 Act. The notice must specify the variation and the date on which it takes effect which must be at least four weeks after the date of service.

5.4 Climate Implications

There are no direct climate consequences resulting from this report. Appendix B highlights the issue of EPC-C targets and net zero as part of the capital investment programme. Our business plan priority for all Council homes to be EPC-C by 2030 fulfils the present-day obligations on us as a social landlord.

5.5 Risk Analysis

Risks to the HRA are collated and monitored via a risk register and are primarily concerned with threats to income and expenditure that would compromise the viability of the HRA Business Plan. These risks are reviewed and regularly updated. The key risks to the HRA Business Plan include the impact of welfare reform; health and safety/fire risks on council tower blocks and other high-risk buildings; an increase in interest, borrowing and inflation rates; changes to the regulatory environment (including review of Decent Homes standard); review of the Government Rent Standards and increase in repairs and maintenance costs. Appendix B of this report sets out a more detailed consideration of the overall 30-year viability of the Business Plan and the steps that are being taken to manage this.

The HRA unearmarked revenue reserve is currently £5.6million, a similar level is currently assumed for 2024/25. The financial impact of the above risks far exceeds the reserve held, but the likelihood of all these risks being incurred in any one year is low and therefore, it is not deemed prudent, nor offers best value

to hold sufficient reserves for all eventualities. However, the level of reserves will be monitored to ensure that the reserves levels are adequate to cover future expected pressures in the medium term.

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1** The Council is required to both set a balanced in year HRA budget and to ensure that in-year income and expenditure are balanced over 30 years. No other alternatives were considered.

7. REASONS FOR RECOMMENDATIONS

- 7.1** This report and its recommendations, sets out the scale of the challenge ahead, the limited resources available and the difficult decisions that now need to be taken to deliver a balanced HRA budget for 2024/25 and for the overall 30-year viability. The delivery of a balanced HRA budget is dependent on setting a 7.7% rent increase for Council tenants as set out in this report.

Appendix A

Summary of Tenant Consultation on the Priorities

Introduction

We recently carried out a consultation with tenants and leaseholders, asking them about our council housing spending priorities for 2024-2025. Spending priorities are included in our Housing Revenue Account Business Plan and provide important background to our Business Plan.

Objective

The objectives of this consultation were:

- To gain a better understanding of tenant's views of our council housing spending priorities
- To understand which priorities rank highly indicating the issues that our tenants are most concerned about
- To understand why tenants are most concerned with some priorities.

Survey method

The consultation was carried out online on the Council's 'Have Your Say' engagement platform.

The introduction to the survey outlined all 14 of our proposed council housing spending priorities for 2024-2025. Respondents were then asked to:

1. Select up to 4 priorities that you think are most important (compulsory)
2. What were the main reasons you chose these priorities? (optional)

Demographic information

We collected some demographic information from our respondents. This helps us to understand how representative of our overall tenant base the respondents were. The demographic information is as below:

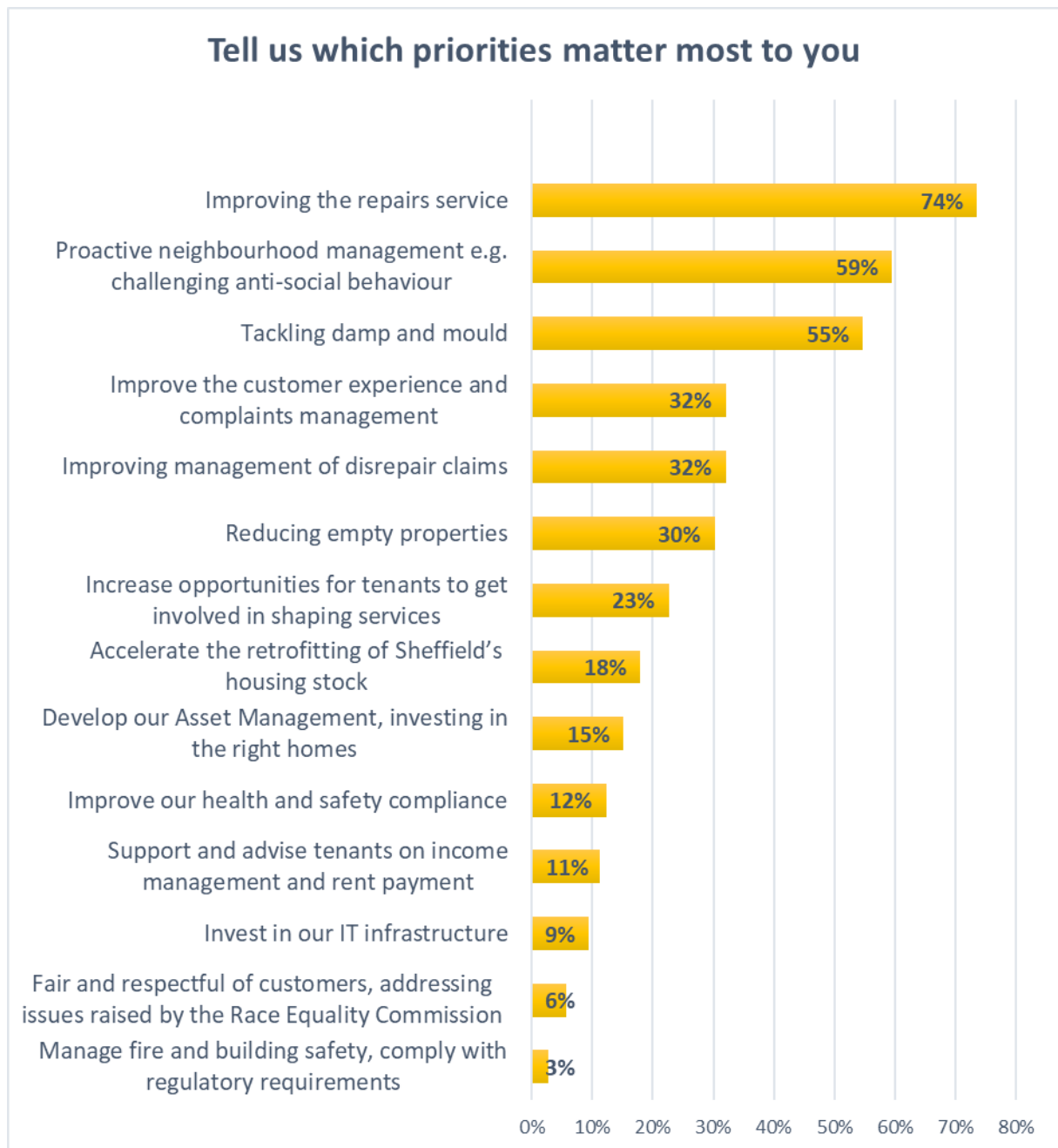
Demographic data	
Total respondents	106
Age profile	19-24: 4% 25-34: 21% 35-44: 12% 45-54: 16% 55-64: 21% 65-74: 20% 75+: 6%
% with a disability	44%
% BAME background	11%
Gender profile	Female: 66% Male: 31% Non-binary and other: 3%

We know that approximately 24% of our tenants have a Black, Asian and Minority Ethnic (BAME) background. This compared with the 11% of respondents

with a BAME background shows that the group was underrepresented in this consultation and is something that we will look to improve in future consultations. Another underrepresented group was male tenants. Approximately 42% of our tenants are male, but only 31% of respondents were male. There was a reasonable spread of respondents from different age brackets. We had a good response from under 55s, which is positive as this group has been underrepresented in some of our previous consultations.

Survey results

There were 106 responses to the consultation.



Analysis

- There was huge support for our priority around **improving the repairs service**, with 74% of respondents ranking it amongst their top priorities.
- In the follow up question “What were the main reasons you chose these priorities?” there were some clear themes around repairs.
- Respondents wanted the service to reduce the time to get through on the phone to report the initial repair, an improvement in the time that repairs are currently taking and an improvement in the repair quality.
- This response tells us that tenants feel strongly about improving our repairs service and reaffirms the need for us to focus significant efforts and resources on our repairs service with a view to continuing with necessary improvements in the year ahead. The feedback given in the follow up question is helpful in helping us to better understand what tenants see as the main issues with our repairs service.
- There was also significant support for our priority of **proactive neighbourhood management**, with 59% of respondents including this in their top 4.
- Again, call waiting times was an issue highlighted by tenants when reporting ASB. Another common theme in these accounts was respondents feeling like the council couldn’t take firm enough action, and therefore feeling like issues were going unresolved.
- Some respondents also described that they selected this as a priority because it is a basic issue that needs improving before we focus on other priorities. Despite the priority covering a broader remit than just ASB, many respondents think this is the area we need to focus our efforts. We will consider how we tackle this area in the year ahead.
- The third most popular priority was **tackling damp and mould**, with 55% of respondents selecting this as one of their top priorities.
- In the follow up question, many of these respondents again explained personal experience as their reason for choosing their priority and a desire to see some performance improvements in this area.
- Others described that this was not something they had experienced personally, but that they had selected it due to its seriousness and potential health hazard. We take this feedback seriously and acknowledge that this is an area over half of respondents have told us is important to them.
- Interestingly, the priority which ranked the lowest was **managing fire and building safety**. More consideration needs to be given to whether this is because tenants generally think we are performing well in this area, or whether it is something that only certain groups of tenants feel affected by (i.e. those living in high rise).
- It is worth noting that as part of this consultation we did not ask respondents for details about the type of property they live in, perhaps this is something we should consider for future consultations.

Conclusion

- This consultation has helped us to gain a better understanding of tenant's views of our council housing spending priorities.
- The priorities which ranked highly were sometimes described by respondents as the 'basics'.
- These are the areas where we will invest both time and financial resources in improving services to tenants. The proposals in this Business Plan, particularly the increased investment in repairs and in tackling damp and mould (as discussed at September's Housing Policy Committee) support this priority for customers.
- It is positive that we are also seeing some performance and satisfaction improvements in areas that are a priority for tenants around repairs, ASB and customer contact.
- This consultation does also show that we still have a lot to do to deliver on the expectations of our customers and this will help to shape our improvement planning for 2024/25.



Housing Revenue Account Business Plan 2024-25





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1. Introduction

The Business Plan

The Housing Revenue Account (HRA) is the financial account of the Council as a landlord. It is ring-fenced in law for income and expenditure in respect of council housing and housing land and certain activities in connection with the provision of council housing only. Other council services are funded through council tax and central government support which benefits all citizens of Sheffield regardless of tenure.

This HRA Business Plan report sets out how the estimated £181m income, predominantly from tenant rents, will be spent on delivering repairs, capital improvements and tenant services to more than 38,000 council homes across the city during 2024/25. It also includes a longer-term forecast looking forward over the next 5 years.

The review of the HRA Business Plan is a dynamic process which reflects the Council's ambitions to be an excellent landlord. This is not just something that we undertake once a year but is part of an ongoing dialogue with tenants and residents to identify investment and service priorities that will improve the quality of homes and tenant services provided.



2. National and Local Policy Context

The HRA Business Plan operates within a political environment therefore changes in both national and local policy can have a major impact and influence on the plan. The main impacts affecting this year's review are set out below.

Increased Financial Pressures

Sheffield, like many other Local Authorities in the country, is facing increasing financial pressures and the impact of more stringent regulation. Income is not keeping up with costs making it increasingly difficult to ensure that homes are well managed and maintained by the Council. Increased investment in repairs and long-term capital improvement is now required to ensure homes remain compliant with the Decent Homes Standard. Recent Government directives restricting providers ability to set rents in line with inflation have reduced overall funding for the Council's HRA and is impacting on its 30-year viability. Tenant engagement is a priority to ensure that the Council is delivering on tenant commitments, working collaboratively across the Council and community to improve the overall quality of neighbourhoods in the city.

High Inflation and Cost-of-living Crisis

Sustained high inflation rates have had a direct impact on the Council's HRA. Costs have risen significantly in a multitude of areas including construction and material costs, contractual commitments, and utilities. Persistently high inflation rates over the last few years mean that there are increasingly difficult choices around the delivery of future tenant priorities. These issues are affecting all Local Authorities and Registered Providers including Sheffield.

High inflation has also exacerbated the ongoing cost-of-living crisis. This has meant that there is increasing hardship amongst our tenants. It is vital that we support our tenants through this difficult financial period whilst also managing limited funds. Direct funding remains in place to support tenants facing difficulties, alongside other Cost of Living Hardship Funds, to help tenants facing rising housing costs sustain their tenancies.

Increased Social Housing Regulation

The Social Housing (Regulation) Act received Royal Assent in July 2023 and signifies a new era of stringent consumer regulation for the social housing sector and increased powers for the Regulator of Social Housing (RSH). This means that the Council can expect to be subject to regular inspections by the Regulator going forward. We are working hard to prepare for the new regulatory regime and are actively engaging with the regulators on a range of issues and, to improve services for tenants. It also means some additional costs will be incurred as we are expected to make financial contributions to support this regulation. The Council has significant expertise in working within a regulatory environment and we will work with colleagues across the Council to ensure that we learn from that experience as we make our preparations.

Workforce Plan

The government's commitment to the professionalisation of officers working within the housing sector will require colleagues in key positions to hold formal housing qualifications. This is a priority for us to ensure that our tenants have the highest standards. We will also ensure that our technical and enforcement teams across Housing and Repairs maintain their accreditations, and any qualifications, as part of their ongoing training plans. As part of this, we will continue our commitment to increasing apprenticeships, higher level apprenticeship and graduate training programmes. We have strong record of apprenticeships across both Housing and Repairs and currently have around 125 apprentices undertaking their qualifications with us.

Building Safety Act

The Building Safety Act was implemented in April 2022 and saw the Health and Safety Executive appointed as the new Building Safety Regulator to oversee the safety and performance of all buildings including Council housing. There will be a particular focus on high-rise and high-risk buildings and capital funding has been set aside to improve tenancy management, resident engagement and fabric of high-rise buildings to ensure we are compliant with the new regulations. The new regulator is set to complete its transition to the new regime during 2024/25. Any necessary actions to ensure that our buildings remain safe and compliant are likely to mean increased costs for the Housing Revenue Account and ongoing tenant and resident engagement and, tenancy management.

Rent Standard

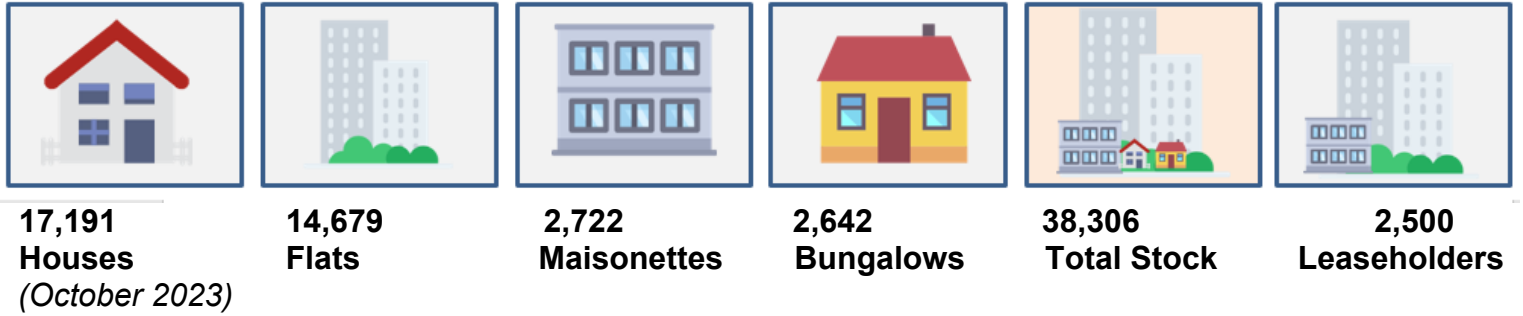
The HRA receives most of its income through dwelling rents, with a much smaller percentage coming from garage and other non-dwelling rents. The Council's ability to set rents is constrained by the Regulator of Social Housing Rent Standard which is determined by a government direction under Section 197 of the Housing and Regeneration Act 2008. We are anticipating that the usual Rent Standard will apply in 2024/25. The rate of CPI for September 2023 was 6.7%. This means that the maximum rent increase that the Council can make for 2024/25 is 7.7% and this has been assumed in the drafting the HRA Business Plan presented here.

Welfare Reform

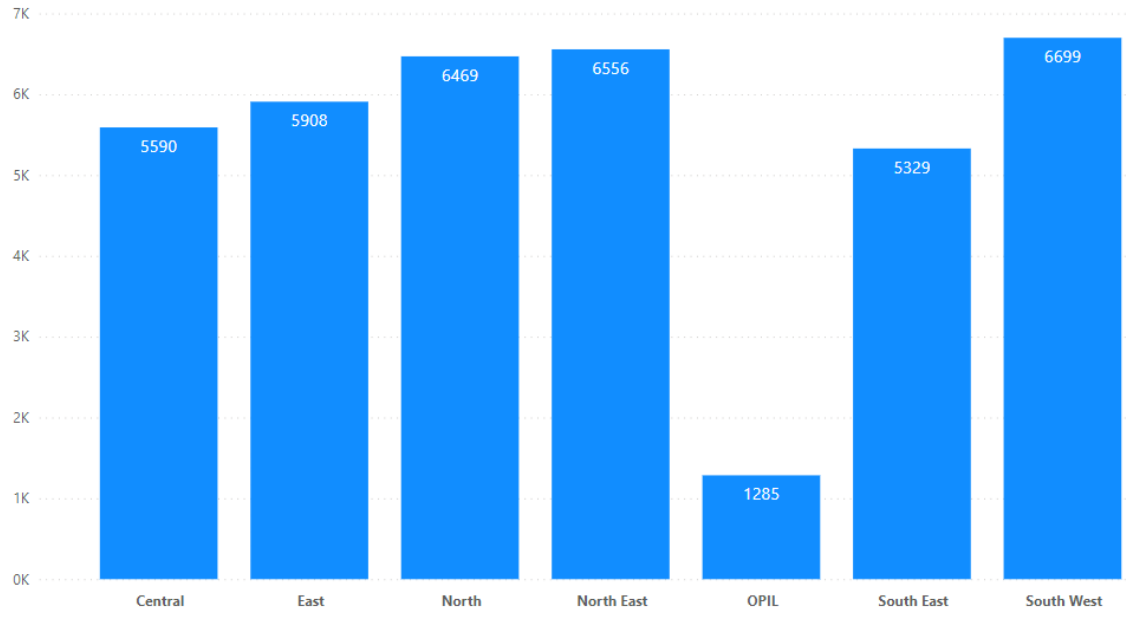
The transition to Universal Credit for tenants receiving support with paying their rent continues in Sheffield. The government recently announced in the Autumn Statement that they would increase working age benefits by 6.7% next year, equivalent to inflation in the 12 months to September 2023. This is slightly below the proposed rent increase of 7.7%. Experience working with tenants this year has shown that tenants in receipt of Universal Credit have a higher likelihood of rent arrears than tenants on housing benefit where the payment is made directly to the Council. A below rent level increase in benefit in 2024/25 potentially indicates a risk of higher arrears that will be factored into our performance and targets for the forthcoming year.



3. Our Housing Profile

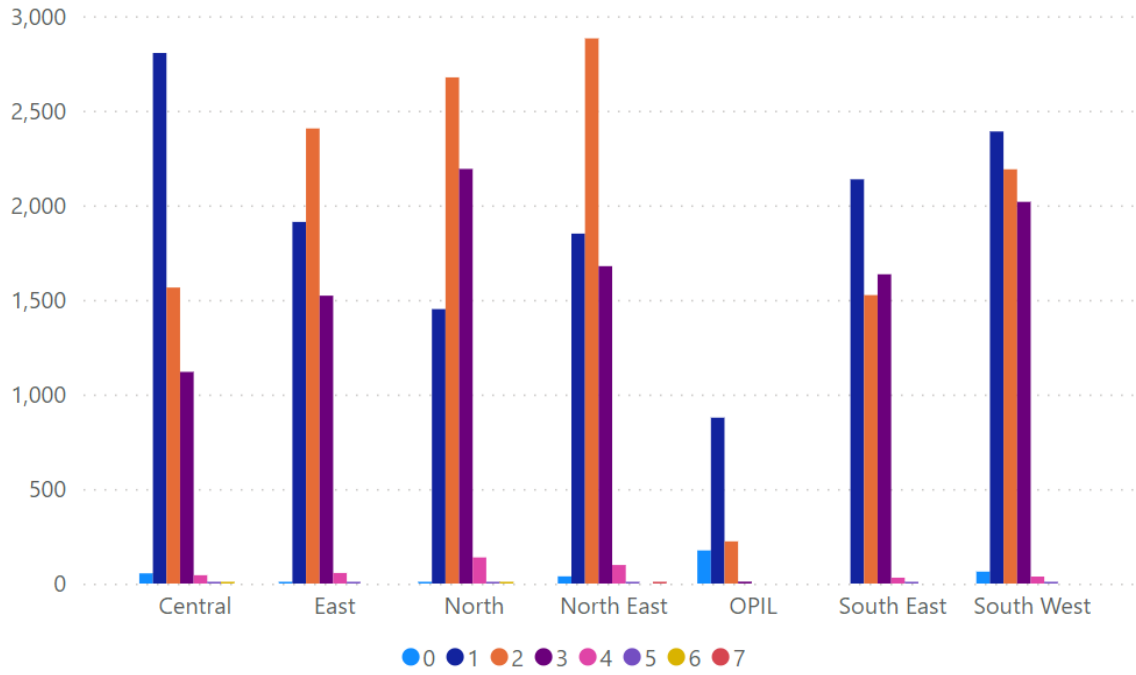


Council Housing Stock by Neighbourhood Area



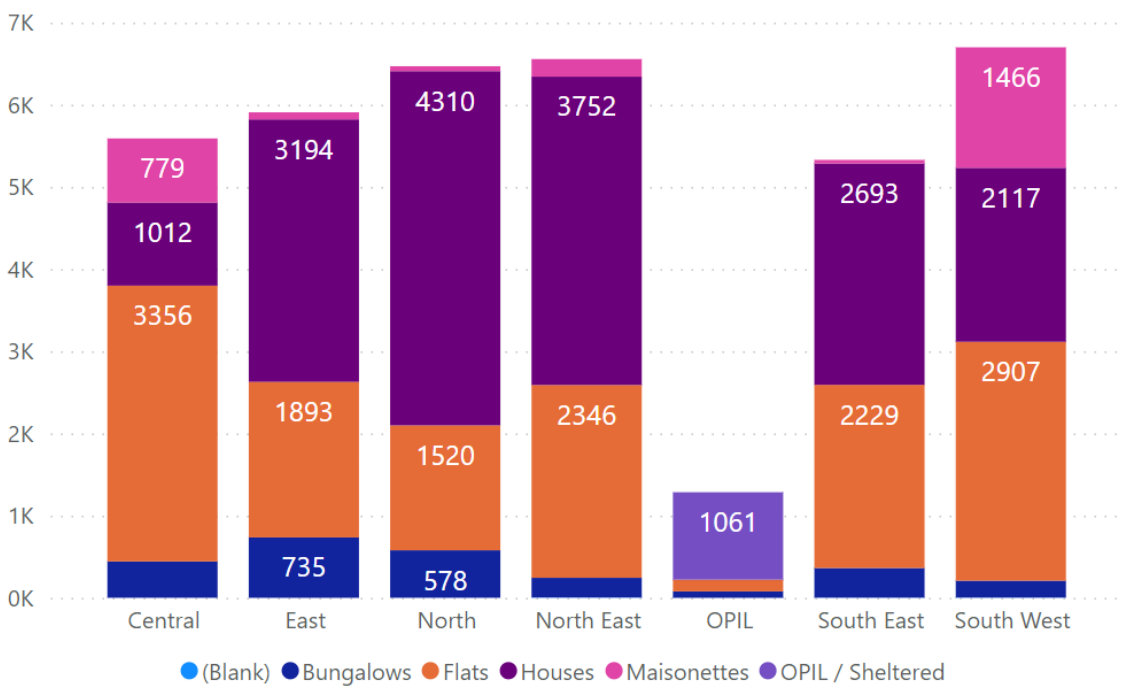
The bar chart provides a breakdown of the number of council housing stock by neighbourhood area.

Number of Bedrooms by Neighbourhood Area



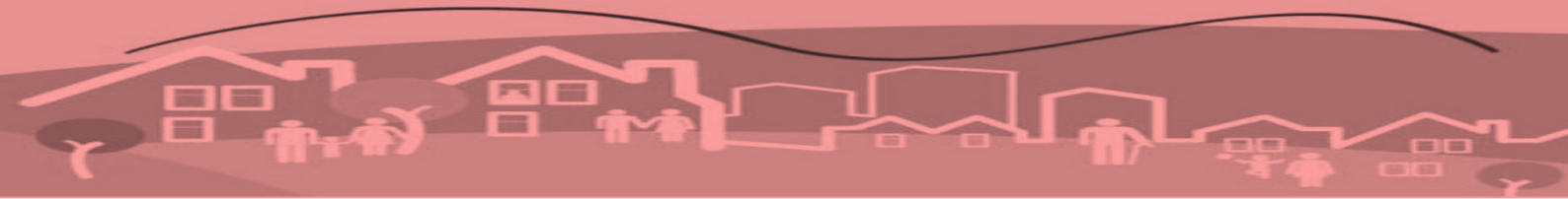
The bar chart shows the number of bedrooms of council housing stock by neighbourhood area.

Building Type by Neighbourhood Area



The bar chart shows the number of different council housing building types by neighbourhood area.

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4.HRA Business Plan Priorities

The annual update of the Business Plan provides the opportunity to review our current priorities for both service delivery and investment in council homes. A revised set of priorities were agreed for the Business Plan in 2023/24 to ensure that it remained responsive to tenants needs and to the economic situation at that time. These priorities have been reviewed as part of this plan and the recommendation is that these remain as the key focus for 2024/25.

Key Priorities 2023/24

Improving our repairs service

We recognise that this is the top priority for our tenants and are finalising a robust improvement plan to meet that challenge. We have made some positive steps in improving performance around gas safety and have strengthened our focus on customer service, productivity and improving first line management. The inflationary environment has had a huge impact on the costs of materials and contractors and our ability to deal with demand from tenants – particularly because of national campaigns around disrepair and damp, mould, and condensation. Our improvement plan provides a focus for the next 12 months as we aim to further reduce repair times for customers, clarify roles and responsibilities through a new Repairs Policy and ensure that satisfaction with the service meets rising customer expectations.

Tackling damp and mould in council homes

We continue to see levels of damp, mould and condensation reported in line with the national trend. Our dedicated damp and mould team is being expanded so we can respond to customer requests within our five-day target. We are building our data led intelligence of damp and mould cases across the city through the work of the Damp and Mould Taskforce working with all key service areas so we can develop the most appropriate response and interventions to resolve any issues that are identified.

Improving the management of disrepair claims

Investing in our existing homes is just as an important as investing in new homes. We will ensure our homes remain safe, modern, and warm and we will continue with our investment plans during 2024/25. We will explore opportunities that help improve our current homes and help to reduce carbon emissions and look at ways to make our existing homes more energy efficient. We will also continue our work on making environmental improvements such as paths, boundaries and communal spaces.

Reducing the time our council properties are empty

The demand for council homes remains high and it is important that we have our council homes available to be re-let once vacated. Over the last year, we have improved our processes and reduced the time it takes from a tenant handing in the keys to a new tenant moving in. A new Housing Vacant's Team has been set up to improve in this area. The new team's initial focus has been to reduce key safe fitting times, process improvements with temporary accommodation relets and reclassifying new acquisitions. Our performance, at over 100 days, is still much higher than our peers. As this work starts to embed, it is expected savings to be realised as a result from 2024/25 and improvements in this area.

Develop our Asset Management Strategy

Our Asset Management Strategy will be developed over the forthcoming year and will be influenced by the findings of the stock condition surveys that will be undertaken during 2024 and 2025. The Asset Management strategy will focus on keeping our customers safe and warm, improving the quality of homes, neighbourhoods and local communities. This means that we will address our statutory obligations including fire safety, electrical and gas compliance and damp and mould in addition to maintaining decent homes standard compliance.

Improve our health and safety compliance

We will ensure that we carry out health and safety checks to properties and communal areas, including fire safety gas and electrical safety checks to properties. We will also focus our work on ensuring that customers are aware of the checks required, how important they are to keep them safe and that they should work with us to ensure that we can complete checks on time. Where tenants prevent us completing checks, we will take more robust action to enforce our tenancy conditions where appropriate.

Manage fire and building safety compliance

We are putting in place a programme of works to ensure full compliance with the Building Safety Regulator regarding fire and building safety. The four single staircase tower blocks will have been upgraded to current fire standards by the end of December 2023 and a plan is in place to upgrade the remaining 20 dual staircase tower blocks during the next five years. This work will include closing off the internal bin chutes, providing external bin provision and installing misting systems in all flats. We are also looking to replace all doors where required to the low-rise flats, OPIL properties and maisonettes to comply with fire regulations. We will also be setting up a tenant and resident High Rise Forum, so we are directly working with tenants and leaseholders living in high rise on tenancy management and maintenance arrangements to ensure our homes remain safe and, fully compliant with regulations.

Proactive housing management

We will be proactive in our management of neighbourhoods, tackling local issues early, reviewing and enforcing tenancy conditions, challenging anti-social behaviour, tenancy breaches and incidents of fraud, across all tenancies, including introductory tenancies. We want our multi-tenure neighbourhoods to be great places in which to live. We will ensure we fulfil our safeguarding responsibilities. Tenants will feel safer and experience a greater level of satisfaction with us as a landlord.

Improve customer satisfaction

We will improve customer satisfaction, focusing on our performance in the areas that customers tell us that matter to them. We are regularly collecting customer satisfaction data and using this information to identify where service improvements can be made.

Advice and support to tenants to manage their finances

We will ensure that advice and support is available to tenants who need assistance to access funding or direct financial support. We will continue to work with tenants in local communities, including attending foodbanks as well as other local venues with partners. Our aim is that this work with different groups will increase take up of funding and benefits available, increasing financial resilience, and ultimately result in increased confidence and ability to maintain rent payments.

Accelerate the retrofitting of Sheffield's housing stock

Our short-term focus is on reducing household energy consumption and tackling fuel poverty through advice, support, and low-level interventions. We will continue to deliver Social Housing Decarbonisation Fund (SHDF2) money supporting important energy improvements to approximately 350 homes and continue to explore opportunities to leverage ECO4 funding to facilitate more energy works to worst performing homes. Retrofit pilot projects will also be undertaken to evaluate different carbon reduction solutions. We will produce a roadmap to Net Zero to explain our commitment to working towards a very challenging target for the city.

We will improve the customer experience

We will improve our digital offer with more opportunities for customers to access our services online, freeing up our telephone lines for those with more complex needs or without online access. This will make it easier for customers to contact us and access our services in the ways which are most convenient to them. We will improve the way we record what lessons we have learnt from customer complaints, and ensure this learning is shared with senior managers so that it can be used to make service improvements. Services will be improved based on real customer experience, putting things right where things have gone wrong so that our mistakes are not repeated.

We will be fair and respect all our customers

Fairness and respect are themes firmly embedded in all that we do. Ensuring our services are accessible, inclusive, and meet the needs of all our customers remains a key priority. Understanding who our tenants are is also important and helps us when designing and improving the services we provide. We want to ensure under-represented groups are involved in our work and have a voice. These themes link strongly to our Council values as we aim to embed fairness and respect into all our interactions with tenants, colleagues and partners. We are responding to recommendations made from the Race Equality Commission Report. We have developed a Housing and Neighbourhoods service action plan which aims to address issues highlighted in the report that are specific to housing services and progress on this will regularly be reported to our tenants and, the Housing Policy Committee.

We will increase the opportunities for tenants to get involved in shaping services

We are refreshing our tenant engagement and involvement structure, so it provides a wider choice of engagement activities that tenants can get involved with. In addition to our new online engagement platform, we are also launching tenant mystery shopping, a refreshed Tenant Scrutiny Panel and a new Tenant Voices Matter Panel. We are also planning tenant panels themed under the revised Regulator Consumer Standards. This will ensure that tenants can discuss and feedback on specific council housing services that fall under each of the new standards. Alongside this, we will continue to support our work with Tenant and Resident Associations (TARAs) and link closely with colleagues in the Local Area Committee teams and Youth Services supporting our vulnerable young people.

We will invest in our IT infrastructure

We will be implementing an integrated housing management system, NEC Housing, in two phases during 2024/2025. Phase 1 is planned to be implemented in May 2024 and Phase 2 completed by December 2024. All customer and asset data will be held in one system, improving data quality and consistent reporting. Customers will benefit from a new on-line portal giving better access to their tenancy and more on-line opportunities to access services.



5. Investment Programme

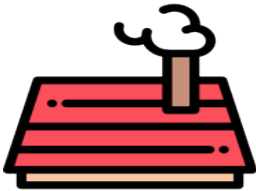

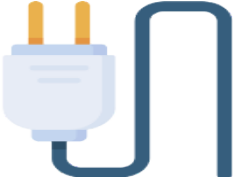

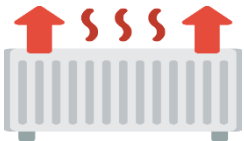
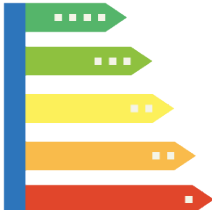
5 Year Investment Programme

Each year as part of the business planning process for the HRA we review our 5-year capital investment programme. The Housing Capital Investment Strategy focuses on a 'fabric first' approach to protect council housing assets, to reduce our ongoing and long-term repairs and maintenance obligations and increase tenants' satisfactions with their homes. We have now commenced an area-based investment approach to reflect local priorities that are important to residents and tenants. Close working arrangements are in place with the Council's Repairs Services to ensure alignment across Capital and Revenue investment.

During the year we will be boosting our stock condition, Energy and Housing Health and Safety Rating (HHSRS) Surveys to further inform investment priorities for the housing stock which will help to create a new Asset Management Strategy. This will also need to consider the government review of the Decent Homes Standard which we expect to conclude in 2024, alongside the challenge of meeting EPC-C for all housing stock and achieving the longer-term Net Zero Carbon ambitions set by the Council. Addressing Damp and Mould concerns continues to be a priority for the Council to ensure that all tenants have safe and quality homes that are free from damp, mould, and condensation.

In 2012, at the end of the Decent Homes Programme, we had 100% stock condition surveys as part of the £700m improvement programme in Council homes. Since 2012 we have carried out routine stock condition surveys on a 20% rolling survey programme which validated the 30-year Business Plan. Condition surveys were paused in 2020 due to COVID and we are now building up capacity once again to meet the needs of the Regulator. Additional survey resources are being procured and will be fully resourced by quarter 1, 2024, with the aim of achieving a minimum of 80% stock condition data by March 2025 and 100% by the end of June 2025. This stock data will be validated against our current planning assumptions on a quarterly basis, alongside data from our responsive repair activity, to ensure that our investment plans remain up to date. Progress will be captured as part of our evolving Asset Management Strategy which will take shape in 2024/25. This will be developed through a position statement in March 2024, based on the evidence we have to date and our approach to capital investment as part of our strategy and, develop to develop a more detailed strategy to follow later in the year, setting out the future direction of council housing investment in the city. In addition, work is currently starting on developing a series of stock option appraisals for estates in Sheffield which are making a negative contribution towards the Housing Revenue Account. Again, this work should be completed by January 2025 and will provide a series of options and recommendation in relation to this stock.

The tables in the Financial Appendix provide the financial details of the work currently planned for 2024/25 and the following 4 years. A short description of the main elements of the planned programme is included below.

Investment area	Progress so far and plans for 2024/25
<p>Roofs</p> 	<p>A new 5-year roofing contract is at pre-tender stage. The tender process is scheduled for Quarter 4 of 2023/24 and contractor start on site is scheduled for Quarter 1 of 2024/25. This programme will provide new roof coverings, fascias, and rainwater goods to circa 5,000 homes. As part of this programme, we will be installing Solar PV (with Energy saving batteries where possible) on circa 60 low rise blocks of flats and several houses and bungalows. The location and allocation of this work will depend on tendered prices, directing works to the least efficient stock with the most fuel vulnerable tenants.</p>
<p>Kitchens, Bathrooms, Windows and Doors</p> 	<p>The current contract to deliver elemental improvements to homes is scheduled to run until 2026. The project will deliver replacements to kitchens and bathrooms, to include boiler and electrical system upgrades. It will also deliver window and door replacements in properties that will fail the decent homes standard over the contract period. The contract includes capacity for improvements to an some void properties, meaning that, in total, an estimated 3950 properties will benefit from this programme.</p>
<p>Electrical Upgrade</p> 	<p>We have precured an external contractor to deliver a phased electrical upgrade of our housing stock across the city, the contract has been in place since 2021 and will run until 2027. The electrical upgrade programme will make improvements to the installations in our homes ensuring there are adequate electrical sockets and properties meet the most recent regulations. Part of this programme will ensure all properties have a hard-wired smoke and carbon monoxide systems; this will phase out our current battery operated systems that are currently in use. So far 4,248 properties have benefited from upgrade works and a further 9,122 are programmed to have work during the remainder of the contract.</p>
<p>Fire Safety and Communal Area Work</p> 	<p>The work to improve fire safety and prevention at the Hanover and Deer Park Tower Blocks is scheduled to complete in Quarter 4 of 2023/24. This contract includes some additional work to the internal decoration as well as new waste management and recycling facilities. Plans are being developed to replicate this work in the remaining tower blocks in the housing stock with work scheduled to start in 2025/26.</p>
<p>Heating Replacement Programme</p> 	<p>We are currently scoping out programme options that will allow us to work towards upgrading our current gas fuelled boilers across our estate. In the short term we are currently overseeing aa heating breakdown replacement programme which will replace an estimated 1,200 boilers within the next 2 years.</p>
<p>Energy Efficiency Work</p> 	<p>There are two external wall insulation projects currently on site with a total of 375 properties set to benefit from the work. The programme will deliver external wall insulation work to non-traditionally built properties. Both projects will also tackle structural repairs and provide much needed improved thermal insulation through the application of the external wall insulation systems. These projects will also address window and door replacement in properties that have not received this work as part of the decent homes programme. All work is scheduled to be complete by 2025/26.</p>

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Stock Increase Programme

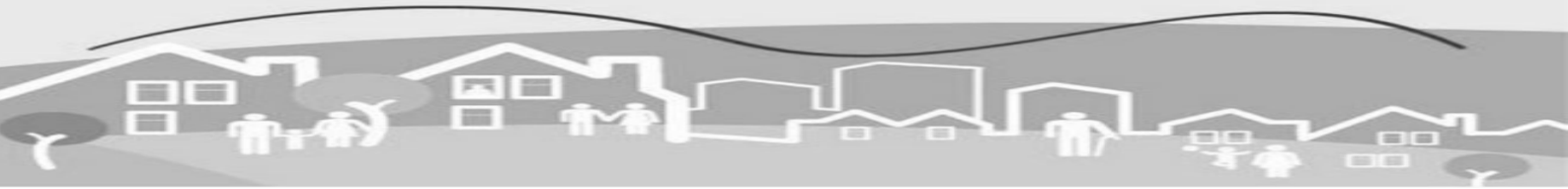
The original business case for the Stock Increase Programme (SIP) has changed significantly over the past couple of years. The 2023/24 Business Plan update confirmed that the overall budget would be maintained but given some cost increases may result in reduced number of units. The ambition remains to increase supply of additional homes through acquisition and new supply to offset losses through Right to Buy (RTB) and, to address increasing housing needs and to maximise the use of external grant funding and utilise all the Council's 1-4-1 RTB receipts over the life of the 30-year HRA Business Plan.

This review of the HRA Business Plan for 2024/25 has maintained the remaining capital allocation to the SIP through to 2029. This budget is predicated upon a complex funding matrix which is continually changing. The current economic conditions mean there is a risk that homes delivered directly by the Council will cost the HRA more than their resultant market value, due to high site abnormal costs unless additional external funding can be secured. This is a similar issue faced by all many providers. The limitations on the use of Right to Buy receipts set by government present the Council with a risk of having to pay back receipts if the SIP does not satisfy the programme and/or tenure/type mix requirements.

The focus for the SIP to 2029 will be on acquiring new market homes, strategic acquisitions and directly delivering a small number of housing sites which remain viable and that will continue to meet an identified need for housing in the city. This may lead to a review of commitments and the release of land where sites are no longer viable under current market conditions. We will continue to maximise the use of RTB receipts to maintain our programme of acquisitions, again to meet identified need. The Council's new Housing Strategy due to be presented to the Council's Strategy and Resources Committee later this financial year will continue to set out the housing need and affordable housing requirements for the city and any gaps in provision. This will inform future discussions with the Housing Policy and other Committees to formalise the Council's wider housing growth ambitions throughout 2024/25 to maximise the use of available funding alongside the HRA capital allocation.

Sheffield has a significant shortage of affordable housing to meet the unprecedented demand for social housing – a shortage of over 902 homes per year based on our last housing market assessment. This is placing increased pressure on housing provided by the Council and Registered Providers. The Council's new Local Plan and Housing Growth Strategy, working alongside government, strategic partners, Homes England, and South Yorkshire Mayoral Combined Authority (SYMCA), will aim to increase the number of affordable homes in the city. The Council cannot meet the affordable housing shortfall on its own, but it can make a significant contribution to this work as part of its HRA Stock Increase Programme to replace homes lost through RTB and support increasing provision of supported housing to meet current and future needs. Most of this accelerated affordable housing growth will be working with external partners who share the Council's commitment to needing to increasing supply.

Sheffield City Council, its Leader and Chief Executive are working together with key partners in the city through the Sheffield Together Partnership with Homes England, the SYMCA, the Sheffield Property Association, and members of the South Yorkshire Housing Partnership to strengthen the focus on enablement, intervention, and delivery. We are actively reviewing all sites within the emerging Sheffield Plan for affordable housing compatibility and exploring a variety of affordable housing delivery models to strength pipeline across all delivery routes. We will look to enhance this relationship by exploring opportunities with RPs to maximise the use of available land in the delivery of new homes in circumstances where the Council is not able to directly deliver to address the overall affordable housing shortfall. This will be critical to ensuring that the range and type of affordable homes in the city continues to increase addressing together the annual affordable housing shortfall of 902 homes per year.



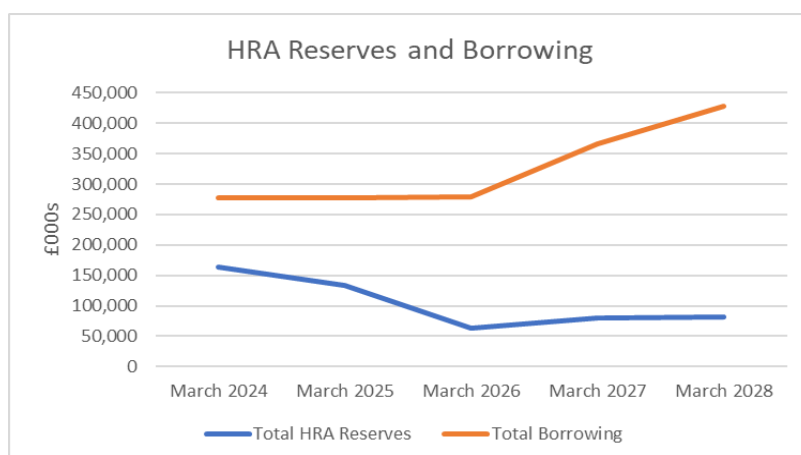
6. Commercial Resilience

We must maintain a viable 30-year Business Plan to deliver our priorities and improve services to tenants. We do this by managing our rental income and operational expenses to reinvest in existing homes and neighbourhoods alongside the creation of new homes. This requires a rigorous approach to business planning and financial management to mitigate the impact of the challenges from national and local policy, whilst delivering on our priorities. The development of our Asset Management Strategy will inform the longer-term capital investment need for existing stock, which will need to be balanced with the resources that are available in the 30-year Business Plan. A robust process, following the new Asset Management Strategy in 2024, will be to refresh archetype option appraisals of its Council housing stock and alongside a potential replacement or regeneration strategy.

To make the most of our position in the city and to ensure that we have a viable 30-year Business Plan, we will continue to work with partners and identify new opportunities to deliver more social housing in Sheffield. Development of our Asset Management Strategy will inform our procurement strategies for delivering investment into our existing homes and our stock increase programme. In accordance with our standard processes, we will incorporate social value and employment and skills outputs as contractual requirements to deliver jobs and wider benefits to the communities we serve.

This report sets the 5-year medium-term position of the HRA Business Plan, including the operating account and Housing Capital Investment Programme. The HRA is a ring-fenced account and therefore all capital investment must be funded from a combination of revenue contributions (mainly rents) capital receipts, grant funding and borrowing. The interest costs from any borrowing will need to be affordable from our rental income. Over the next 5-years we are planning to increase our borrowing to partially fund our Stock Increase Programme from increased rents from new supply. These loan repayments will be fully funded from the additional rental income from the resultant new properties and, when capital debt is repaid will create a surplus that can support the wider costs in the HRA in the longer term.

Investment into our existing stock will be through a mixture of revenue, capital receipts and capital reserves. The graph below presents the 5-year position on borrowing and reserves. This shows the increasing use of reserves to fund the capital investment programme up to 2026 before undertaking new borrowing for existing stock from 2026. After 2026, a revenue budget will need to be identified within the model to cover the cost of any loans taken out to fund improvements for existing stock.

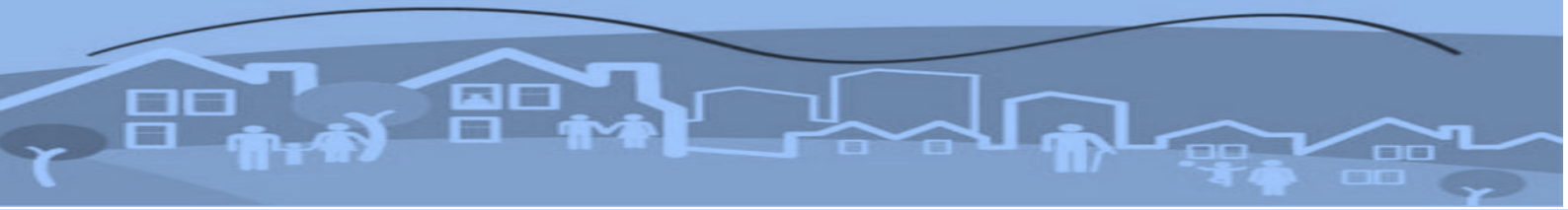


Right to Buy sales continue to have an impact on our Business Plan and we are anticipating that we will lose a further 6,320 homes over the 30-year plan and assumptions have been built into our financial planning. Right to Buy sales will continue to generate '1-4-1' receipts for reinvestment into new homes through stock increase. Receipts cannot be used to fund investment in existing stock but can support the creation of additional Council homes to replace some of the rental income reduction from RTB sales.

Our current SIP to 2028/29 aims to increase our stock by approximately 1,166 homes. Reinvestment of our RTB receipts back into new homes will increase our stock from 2029/30 to the end of the 30-year plan by a further 653 homes, creating a total of 1,819 additional homes by 2053/54. With stock increase and anticipated RTB sales, we estimate that our total stock will be around 33,900 by 2053/54, compared to total stock of around 38,400 homes now. This is a significant reduction in social homes for the city which already has an affordable housing shortfall of 902 homes per year. Partnership working to mitigate that need will be even more essential over the longer term.

Over the longer-term, we will need to balance this investment in new homes with investment in our existing stock to offset stock losses. Any borrowing for additional homes needs to be sustainable and funded through the increased rental income that this will generate. Any borrowing for our existing stock will increase the interest charge in our operating account and we will need to be able to service these costs from future rental income.

The development of the Asset Management Strategy will be critical to any decision making around future investment priorities. It will inform option appraisals to review our stock profile, consider the impact of individual archetypes on capital and repairs costs, and balance tenant demand and need profiles to ensure that the Business Plan remains viable. These will be difficult decisions that will impact on the services and homes that we offer our tenants. They will potentially impact on the number of homes we own but will be necessary to deliver a sustainable future for council housing in the city. This could involve reducing any stock that has a negative impact on the overall HRA Business Plan so that the level of Council homes and, our ability to service long term debt from increased borrowing remains balanced over 30-years.



7.Risks

The HRA has operates on a 'self-financing' basis with local authorities funding council housing from the income generated from rents and other charges. Although 'self-financing' provides the Council with more flexibility, it also brings additional risk.

Risks to the HRA are collated and monitored via the risk register and are primarily concerned with threats to income and expenditure that would compromise the viability of the HRA Business Plan. These risks are reviewed and regularly updated. The key risks to the HRA Business Plan include:

- The impact of Welfare Reform
- Health & Safety/Fire Risks on Council Tower Blocks and Other High-Risk Buildings
- An increase in Interest, Borrowing and Inflation Rates
- Increase in Repairs Costs
- Review of the Government Rent Standard
- Journey to 'Net Zero'
- Future changes to the Decent Homes Standard
- Regulatory changes to social housing

More detailed consideration of the overall 30-year viability of the Business Plan and the steps that are being taken to manage this are set out in the Commercial Resilience section above. The HRA unearmarked revenue reserve is currently £5.6million, a similar level is currently assumed for 2024/25. The financial impact of the above risks far exceeds the reserve held, but the likelihood of all these risks being incurred in any one year is low and therefore, it is not deemed prudent, nor offers best value to hold sufficient reserves for all eventualities. However, the level of reserves will be monitored to ensure that the reserves levels are adequate to cover future expected pressures in the medium term.

Key Financial Assumptions 2024/25

The detailed financial model behind the HRA Business Plan includes several assumptions we have used to understand what resources will be available for council housing over the next 5 years in the context of the next 30 years. These baseline assumptions are listed below.

Revenue Assumptions	Assumption
Opening number of homes 2023/24	38,397
Estimated number of additional homes by 2053/54	1,819
Estimated number of RTBs to 2053/54	6,320
Estimated number of homes by 2053/54	33,896
Average rent in 2024/25 (50-week rent)	£92.71
Consumer Price index (CPI) of inflation September 2023	6.70%
Void rate	3.25%
HRA risk-based reserve 2024/25	£5.6m

Rents

We have assumed that rent will increase each year by the amount allowed by the Rent Standard (i.e., September CPI + 1%). A below Rent Standard increase would impact on the income throughout the 30-year Business Plan. For example, compared to Rent Standard, a 5% rent increase would result in a loss of up to £183m in income over the 30-year life of the Business Plan, leading to job losses and cuts in services for tenants. A 7% increase would result in a loss of up to £47m over the 30-years. A reduction in the assumed income would mean that costs would need to be reduced to balance the Business Plan.

Garages

It is assumed as part of this report, rents for garage plots and garage sites are increased by 7.7% from April 2024 in line with dwelling rent increases.

Other Charges

It is assumed as part of this report, the burglar alarm charge from April 2024 is increased by 6.7% in line with September 2023 inflation.

It is assumed as part of this report, the sheltered housing service charge from April 2024 is increased by 6.7% in line with September 2023 inflation.

It is assumed as part of this report, the furnished accommodation charge from April 2024 is increased by 6.7% in line with September 2023 inflation.



Appendices

- Appendix A** **HRA Revenue & Capital Budget**
- Appendix B** **5 Year Capital Investment Programme**
- Appendix C** **Citywide Rents and Charges**

Appendix A – HRA Revenue & Capital Budget

Revenue Account

Revenue Account		
	2023.24	2023.24
	Outturn	Budget
INCOME (in £millions)		
Net income dwellings	160.3	161.6
Other income	7.8	6.9
Total	168.1	168.5

EXPENDITURE (in £millions)		
Repairs and Maintenance	52.4	48.8
Tenant Services	61.4	61.7
Interest on Borrowing	13.0	13.7
Contribution to Capital Programme	41.4	44.4
Total	168.1	168.5

Revenue Reserve	5.6	5.6
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Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
2024.25	2025.26	2026.27	2027.28	2028.29	2024.29
Forecast	Forecast	Forecast	Forecast	Forecast	Total
173.9	183.1	189.9	196.4	202.7	945.9
6.7	7.0	7.2	7.4	7.7	36.0
180.5	190.1	197.1	203.9	210.4	982.0

54.4	58.6	62.6	66.8	71.0	313.4
68.5	69.2	70.9	72.6	74.3	355.4
14.1	14.1	16.1	18.7	22.0	85.1
43.6	48.2	47.5	45.8	43.0	228.2
180.5	190.1	197.1	203.9	210.4	982.0

5.6	5.6	5.6	5.6	5.6	
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Capital Account Summary (see Table 5 for a detailed breakdown of the Mainline Capital Programme)

Capital Account		
	2023.24	2023.24
	Outturn	Budget
EXPENDITURE (in £millions)		
Mainline Capital Programme	48.6	40.9
Stock Increase Programme	28.6	54.9
Total	77.1	95.8

Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
2024.25	2025.26	2026.27	2027.28	2028.29	2024.29
Forecast	Forecast	Forecast	Forecast	Forecast	Total
56.8	89.5	97.2	102.0	104.3	449.7
38.9	55.5	60.4	25.1	75.2	255.1
95.7	145.0	157.6	127.1	179.5	704.8

Appendix B – 5 Year Capital Programme Investment

HRA Capital Programme	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
	2023_4	2024_5	2025_6	2026_7	2027_8	2028_9	2024_29
	Outturn	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Total
EXPENDITURE (in £millions)							
Heating and Energy	4.11	6.26	7.50	7.50	10.00	10.12	41.39
Carbon Reduction	15.03	8.60	3.95	7.20	9.49	9.49	38.73
H & S Essential Work	14.70	8.23	21.28	19.76	15.05	19.44	83.76
Adaptations & Access	2.95	3.30	5.46	3.30	3.30	3.30	18.66
Waste & Estate Environmental	0.81	2.77	3.37	5.02	3.82	3.10	18.07
Enveloping & External Works	1.58	9.55	15.04	14.50	19.47	18.66	77.22
Communal Area Investment	0.50	2.50	2.50	3.93	0.77	0.00	9.70
Internal Works	3.84	3.73	6.14	5.91	5.00	3.56	24.34
Other Essential Works	1.58	2.83	2.83	2.98	2.00	2.00	12.65
Garages and Outhouses	0.13	0.25	0.25	0.25	2.88	0.00	3.63
Gleadless Valley Regeneration	0.25	1.00	5.96	8.16	8.20	9.52	32.85
Sub-Total Core Investment Programme	45.48	49.04	74.27	78.50	79.99	79.19	360.98
Capital Management Fee	3.10	3.15	3.20	3.25	3.30	3.30	16.20
Sub-Total Other Capital Spend	3.10	3.15	3.20	3.25	3.30	3.30	16.20
Total Capital Programme before inflation	48.58	52.19	77.47	81.75	83.29	82.49	377.18
Inflation		4.63	11.98	15.49	18.66	21.81	72.58
Total Capital Programme	48.58	56.82	89.45	97.24	101.95	104.30	449.76
Stock Increase Programme	28.56	38.88	55.53	60.35	25.15	75.16	255.07
Total Capital Programme	77.14	95.70	144.98	157.59	127.10	179.46	704.83

Appendix C – Citywide Rents

Citywide average weekly rent by bed-size

Bed size	Average weekly rent (50 weeks)		Increase	Rate
	2023/24	2024/25		
Bedsit	£66.60	£71.73	£5.13	7.70%
1 bed	£76.30	£82.17	£5.87	7.70%
2 bed	£87.06	£93.77	£6.71	7.70%
3 bed	£97.06	£104.53	£7.47	7.70%
4 bed	£116.08	£125.02	£8.94	7.70%
5 bed	£117.26	£126.29	£9.03	7.70%
6 bed or more	£123.01	£132.49	£9.48	7.70%
Total (all bedroom's average)	£86.08	£92.71	£6.63	7.70%

PART A - Initial Impact Assessment

Proposal Name: Rent Policy increase for council housing rents, garages & commercial property

EIA ID: 2398

EIA Author: Louise Cassin

Proposal Outline: We have the option to increase rents by September's Consumer Price Inflation (CPI) +1%. This would be the maximum increase allowable under the Regulator's current Rent Standard. August's CPI rate was 6.7% indicating we may have the option to raise rents by around 7.7%.

Proposal Type: Budget

Entered on QTier: Yes

QTier Ref: # 97

Year Of Proposal: 24/25

Lead Director for proposal: Janet Sharpe (HSG)

Service Area: Housing & Neighbourhoods

EIA Start Date: 17/10/2023

Lead Equality Objective: Understanding Communities

Equality Lead Officer: Louise Nunn

Committees:

Council

Portfolio

Primary Portfolio:

Neighbourhoods

EIA is cross portfolio:

No

EIA is joint with another organisation:

No

Overview of Impact

Overview Summary:

A 7.7% rent increase would impact on the financial cost of living crisis currently being faced by tenants. However, around 70% of tenants would receive some support in meeting those costs through Housing Benefit or Universal Credit. The impact on the remaining tenants could be mitigated by offering additional support – though further work may need to be done to identify how tenants would be supported. Some options e.g. financial support could create an additional pressure on the HRA. Rents for 24/25 would need to be implemented from April 2024 with statutory notifications to all tenants about a change to their rent actioned from February 2024. Rental income is the main source of income into the HRA and can only be used to fund council housing activity. Therefore the level of income received into the HRA through rents each year impacts on council housing service budgets and what can be afforded in the coming year/s. Individual EIAs have been completed for potential saving options that are likely to be needed for 2024/25 as a result. These EIAs detail the any specific impacts on council housing tenants as a result. An initial impact assessment has been completed at this stage based on current rent policy. A full impact assessment will be completed prior to this decision being presented at Full Council in February 2024 and this will reflect any changes that may occur if rent policy is revised by Government between now and then.

Impacted characteristics:

Consultation and other engagement

Cumulative Impact

Does the proposal have a cumulative impact: No

Impact areas:

Initial Sign-Off

Full impact assessment required: No

Review Date: 14/01/2024

Action Plan & Supporting Evidence

Outline of action plan:

Action plan evidence:

Changes made as a result of action plan:

Mitigation

Significant risk after mitigation measures:

Outline of impact and risks:

•

Review Date

Review Date:

14/01/2024