
APPENDIX – HOUSING POLICY COMMITTEE 2ND FEBRUARY 2023

- | | |
|---|--|
| 1.1 This report sets out the HRA Business Plan for 2023/24 | This report sets out the 2023/24 Housing Revenue Account (HRA) revenue budget and revenue contribution to capital for the Council housing stock in Sheffield. 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. Our Housing Investment Programme is the most significant part of the plan, with a 30-year Asset Management Strategy broken down into 5-year programme delivery plans. Priorities for investment are agreed with tenants and, this is aligned and aims to address costly pressures faced on responsive repairs. |
| 1.2 The Business Plan will be subject to a recommendation to Council from Strategy and Resources Committee | The Housing Revenue Account faces significant budget pressures going into 2023/24, and these pressures will impact on the ability of the HRA Business Plan to remain affordable over the next 30/40 years. |
| 2. Background | |
| 2.1 The Council's HRA is the financial account of the Council as landlord | The Council's HRA is the financial account of the Council as 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 The Business Plan sets out the main priorities for council housing for the next year | The Business Plan sets out the main priorities for council housing over the next 12 months. The 2023/24 Plan will focus on improving the tenant and customer services, addressing tenancy breaches, improving the overall condition of homes, delivering an ambitious programme of improvements for estate management, and other areas that are funded from the Council's HRA of importance to tenants. Over the past 12 months, we have worked on delivering the priorities set in last year's Business Plan. In 2022/23 this has involved re-structuring of Neighbourhood Teams to re-launch our housing and tenancy management services to achieve tenant priorities. |
| 2.3 The review of the HRA is a dynamic | 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 as part of the annual review of the Business Plan but is part of an extensive ongoing dialogue |

process subject to consultation with tenants to identify investment and service priorities that will improve the quality of homes and services provided. The final proposals as set out in this report, have been consulted on and supported through both Member and tenant consultation.

3. National and Local Policy Context

3.1 The key national policy impacts National housing policy can have a significant impact on our HRA Business Plan. This year, the cost-of-living crisis, rising inflation, changes in social housing rent policy, a new government energy strategy Welfare Reform, Fire and Building Safety and the Social Housing Regulation Bill have all played a significant part in shaping the content of this plan. Housing Policy Committee considered the impact of these policy impacts at their meetings in [September 2022](#) and [November 2022](#).

3.2 A rent ‘ceiling’ has been introduced by Government Since the previous report to Committee, there have been some further developments within these key areas. In November 2022, as part of the Autumn Statement, the Chancellor announced that a 7% ‘ceiling’ on social housing rent increases would be imposed in 2023/24 to strike “an appropriate balance between protecting social tenants from high rent increases and ensuring that Registered Providers of social housing are able to continue to invest in new and existing social housing and provide decent homes and services to tenants”. The significant inflationary costs incurred by the HRA including borrowing, the cost of materials and energy prices, all currently above 7%, will require careful management and the delivery of savings to ensure we have a balanced HRA for 2023/24 and for the remaining 30 years.

3.3 There has been further progress on enacting the Social Housing Regulation Bill. The Social Housing Regulation Bill, which sets the new regulatory framework for social housing, has been considered by the House of Lords and has now completed its committee stage in the House of Commons. Dates have yet to be announced for the remaining Commons stages (Report and Third Reading) but are likely to be later this month. The enactment of this Bill is a unique and welcome opportunity to give tenants a recognised and active role in scrutinising services, the quality of their home, transparency of costs and the improvement of services.

3.4 The Council will be subject to increased regulation in 2023 The Regulator of Social Housing (RSH) has also published the outcome of its consultation on tenant satisfaction measures (TSMs) alongside formal specification of the information local authorities will be required to collect and publish from 1 April 2023. In preparation for this, in 2022 we revised our Neighbourhood Satisfaction survey, so it included the proposed TSMs and to help ensure our collection methods match the requirements of the Regulator. We are also benchmarking our costs and performance through Housemark and through our memberships of the Association of Retained Council

Housing Authorities (ARCH). We are expecting further details of the regulatory standards once the Social Housing Bill is enacted. For now, the current Consumer Standards are driving our improvement activities through a proactive self-assessment framework based on existing standards:

- [Home Standard](#) – quality of accommodation and repairs and maintenance
- [Tenancy Standard](#) – how properties are allocated/exchanged and terms around tenure
- [Neighbourhood and Community Standard](#) – issues around neighbourhood and communal areas and anti-social behaviour
- [Tenant Involvement and Empowerment Standard](#) – customer service and complaints, tenant rights and involvement.

3.5 The HSE have been appointed as a new Building Safety Regulator to monitor building safety

The Health and Safety Executive (HSE) have been appointed as the Building Safety Regulator (BSR) following implementation of the Building Safety Act in April 2022. The BSR will oversee the safety and performance of all buildings, as well as having a special focus on high-rise and high-risk buildings. It will promote competence and organisational capability within the sector including for building control professionals and tradespeople. The HSE have a comprehensive programme of work to set up the new regulator, with a [published timetable](#) of key milestones for 2023--2024. As a landlord of high-rise buildings, we will need to ensure we are working closely with the BSR and complying with any requirements from the BSR. Sheffield has an excellent track record of the day-to-day management of buildings. We have been working closely with Government teams since 2017 and established a regulatory board including representation from South Yorkshire Fire and Rescue Service and other statutory organisations in 2018. This has been acknowledged nationally as best practice.

3.6 Damp and Mould

In November 2022, the Regulator for Social Housing (RSH) wrote to local authorities and registered providers requesting them to provide re-assurances and evidence that they are meeting their legal and regulatory requirements in relation to damp and mould. This request comes, following the tragic death of Awaab Ishak, who died two years ago from a respiratory condition caused by damp and mould in his home. A formal response to the RSH was submitted on 19 December 2022 and was shared with the [Housing Policy Committee on 15 December 2022](#). This is in addition to the detailed response provided to the Minister on 30th November relating to damp and mould in private rented properties in Sheffield. A further Regulator and Minister response was submitted at the end of January 2023 and will be shared with Housing Policy Committee and tenants. The Council are committed to tackling issues in relation to damp and mould and a Damp and Mould Task Group has been set up in response to the request from the RSH. The Task Group will undertake a full review of how the Council deals with damp and mould cases and to oversee any changes to working practices.

3.7 The HRA Business Plan supports Council ambitions	<p>The HRA Business Plan is also set within a wider strategic context of the overall ambitions of Sheffield City Council and those of the Housing and Neighbourhoods Service. The Business Plan priorities contribute and feed into several service priorities, for example, Children’s Services, Care Leavers, Homeless Prevention and Social Care as well as wider Council priorities such as:</p> <ul style="list-style-type: none"> • Our Sheffield - Strategic Priorities • The Race Equality Commission • Local Area Committees • Council’s Climate Change 10-point Plan
3.8 The Plan also supports locality working within local communities	<p>Local Area Committees (LACs) are a way for people to get involved in making a difference to their local communities. There is council housing in each of the seven LAC areas, and issues raised within LAC forums often relate to housing, and consequently HRA spending decisions. Therefore, it is important that we work closely with the LACs to understand where there are links to housing issues. We will ensure that the HRA Business Plan priorities feed into the LACs priorities and plans going forward supporting locality working across the city. We will also be providing the detail of the Housing Investment Programme at Neighbourhood level in future so LAC’s can have oversight of this activity. And we will continue to work with our tenants and with Tenant and Resident Associations (TARAs) to ensure that they are engaged with the locality working agenda.</p>
4. Achievements	
4.1 Our annual report and Landlord Commitments set out our progress	<p>Each year we produce an annual report which looks back on our performance and achievements over the last year and outlines what we’re planning to do next. Every year tenants help us produce the report, scrutinising its content, design and choosing a theme. Our latest report is available to read and download on the Council’s website and is shared with our tenants and leaseholders each year. We also publish our performance against a set of Landlord Commitments developed by tenants to reflect their priorities.</p>
4.2 The HRA funds a wide range of activities for tenants	<p>The paragraphs below set out just some of the achievements across the housing and repairs services which have been funded through HRA activity over the past 12 months. They demonstrate the breadth of the services that we deliver for our tenants.</p>
4.3 Increasing the number of new council homes	<p>There is a growing demand for affordable housing across the city and our increase Programme aims to deliver a programme of additional new council homes. There is an overall lack of affordable homes in Sheffield and as a city we have a shortage of 902 affordable homes each year. As of December 2022, we had delivered 966 new homes (a mixture of homes purchased on the open market and new homes</p>

built or acquired off plan). 207 new homes have been delivered so far in 2022, with a further 74 expected to be delivered for the remainder of 2022/23. We have delivered outstanding new supported living accommodation at Buchanan Green, developments in Arbourthorne (Daresbury View and Berners Road) and a small number of homes at Meersbrook Park Road. We continue to purchase suitable properties of the open market and direct from developers on mixed-tenure schemes - including new acquisitions at Baxter Court, Handsworth and Owlthorpe. Further information on our current and completed new build projects can be found [here](#).

4.4 We have been improving repairs and relets but still have more work to do

We have been improving the delivery of our repairs services and working hard to increase the speed at which we relet properties. The Repairs Service introduced a new structure in July 2022, which has improved the focus on performance and productivity.

Between April and December 2022:

- Gas compliance has improved from 87% to 98%.
- The completion time for repairs to void properties has improved from 80 to 35 days, with the number of properties awaiting work reducing from 532 to less than 350 in the same period. The overall time taken to relet empty properties has reduced by almost 20% over the past 9 months.
- The speed with which the service dealt with work identified through fire risk assessments has improved from 39 to 28 days. The proportion of Fire risk assessment work completed within time has also improved from 75% to 84%.
- The number of responsive repairs completed within target time has increased from 80% to over during the year and to 88%. The average waiting time for a responsive repair is now 12 days.

There is still some way to go, and this is reflected in our priorities for the next 12 months.

4.5 We continue to work on improving homes and the environment

We have worked to renew the roofs on more than 7,000 council homes, improving insulation, installing new roof tiles, and ensuring the roofs are fit for the future. As part of the works programme, new bespoke roof tiles were designed and installed to allow bats to continue to live in and return to their roosts each year; gaps under roof eaves were retained for birds and additional bat boxes were installed on the Shirebrook Valley to provide additional roosting opportunities and to allow for translocation of any bats located during the re-roofing works. The work was recognised by the Chartered Institute of Ecology and Environmental Management (CIEEM) with a [highly commended award](#). We will continue to work with recognised local groups to improve biodiversity on our housing estates to protect existing nests and habitats for wildlife, specifically where roofing and external refurbishment works are undertaken on properties.

<p>4.6 We have started work to improve a huge number of our tenants' homes over the next few years</p>	<p>We have started work on delivering an extensive programme of capital improvements to our homes which will be completed over the next two to three years:</p> <ul style="list-style-type: none"> • 1,056 replacement boilers and/or heating systems installed, and 460 Heating breakdown replacements made • 117 Airey non-traditional properties refurbished and external wall insulation to a further 255 non-traditional homes • 7279 asbestos surveys undertaken to check on tenants' health and safety • Commenced work on electrical upgrades to 18,000 properties included in our rewiring programme through to 2024 • 2,400 properties anticipated to receive adaptation works between 2022 and 2025 • Started work on 18 Tower Block Roof replacements to be completed by 2026 • Kitchen, bathrooms, windows, doors, electrical and loft insulation upgrades as required to 3399 properties and 552 void properties, all to be completed by 2026. • Planning upgrades to 34 existing CCTV systems and installing 6 new CCTV systems to housing sites
<p>4.6 We have developed a new model of integrated care</p>	<p>The development of a new integrated model of housing health and care at Buchanan Green is a first for the Council and will form a blueprint for future schemes at Hemsworth and Newstead. It is an exciting initiative working closely with health and care services in a structured way with a focus on prevention to support active ageing and wellbeing. It has huge potential to support reductions in hospitals admissions, falls and risks of falls and in delaying the need for care services and moves into residential care. Some of the key service provision includes:</p> <ul style="list-style-type: none"> • Care and housing team on site • Local GP surgeries providing surgeries at the scheme for those with an assessed care need using the therapy room • A multi-disciplinary approach to support prevention and better health and wellbeing • Referrals for social prescribing • 'Young at Heart' activities to support the prevention agenda
<p>4.7 We continue to offer a range of cost-of-living help and support</p>	<p>We understand the cost-of-living crisis is having an impact on our tenants and we have continued to help those affected by this. We work closely with colleagues across the Council to support tenants and residents facing financial challenges. We offer help for all those in need of support to manage their money and understand their commitment to paying rent and other charges.</p> <ul style="list-style-type: none"> • 127 Hardship Fund Payments had been paid out by November last year to families struggling to pay their rent. • Over 200 staff in the housing service have been trained on how to use the Council's Cost of Living toolkit and have been encouraged to include as part of every discussion, ensuring every contact matters.

- Information stalls around financial help and support for tenants have taken place at events such as LAC meetings, TARA activities and other community events
- We have identified those most at risk of cost-of-living impacts and have provided targeted support for those in arrears, tenants in low energy efficient homes, those with pre-paid meters and the elderly and vulnerable
- We have forged links with foodbanks and are attending venues all over the city, to offer tenants and residents, rent and cost of living advice. This includes a dedicated service to S6 Foodbank where we will be attending their sites every week to offer advice to tenants.
- We are identifying tenants who qualify for Yorkshire Water Support but are not currently receiving this discount

4.8 We have maintained our focus on key housing services despite the challenges

We have maintained our focus on key housing services ensuring that we are collecting the rent and rehousing tenants who are in need.

- Rent arrears figures for current tenants were under projected levels by £451,000 at the end of quarter three.
- Evictions are down by twenty percent compared to a comparable point in previous years.
- Validated 7,784 applications to join the housing register.
- Rehoused 2,381 households of which 1,513 had been awarded priority rehousing

4.9 We proactively contact our tenants

We recognise that all our tenants have different needs and requirements. We offer all our tenants the option of an annual visit with their Neighbourhood Officer and ensure that our most vulnerable tenants have access to the support they need. Over 150,000 service requests are dealt with each year by the Neighbourhood Teams. Since April 2022:

- Our Neighbourhood Officers have offered over 12,000 visits, with around 9,600 of our tenants either receiving a face-to-face visit or having a discussion over the telephone (around 6,800 were face-to-face visits).
- Over the last 9 months we have made 1651 support referrals for our tenants that were identified as part of our Housing Plus approach, visiting tenants in their homes to identify support that ensures they have a successful and sustainable tenancy
- Made an active difference to tenants' lives through effective management – in one 'patch' alone, for example, the Neighbourhood Officer has secured over £7,000 in furniture and support payments for her tenants

4.10 We have been there for our tenants in an emergency

We have supported our tenants throughout the year when emergencies happen. For example, we helped Council colleagues throughout the major incident in Stannington last year by door knocking, identifying vulnerable residents, and ensuring they had portable heaters, blankets, and access to warm meals. We supported our tenants at our older persons scheme at Manor House in Stannington providing heating and

warm drinks in the communal lounge every day for tenants to socialise. Our Neighbourhood Officers worked with the Community Support team to support all tenants to make claims for compensation from Cadent. Following a similar incident at Moonshine Lane in January this year, officers reacted by carrying out 'door knocking' to all properties in the area to ensure they were safe and identify any support

4.11 We have supported the wellbeing of our older tenants

Our older tenants in our independent living schemes have benefited from our 'Young at Heart' project. A unique piece of artwork produced by our OPIL tenants from across the city was showcased at the Town Hall in September 2022. Tenants from across the city decorated individual wooden shapes to make up the artwork. The artwork captured older people's feelings of living with the Covid pandemic and was a way for them to express their feeling at a time when many had been isolating for over 12 months. We have developed a 'Young at Heart' tool kit and seasonal menu to support Neighbourhood Officers deliver a range of activities at schemes. Working with partners, we have delivered a range of activities across all schemes to support independence health and wellbeing, for example,

- Student volunteer craft sessions
- Armchair aerobics
- Memory lanes reminisce cafes during dementia awareness week
- Cinema and film events
- Pop up shops and fashion events

4.12 We continue to tackle poor behaviour

Officers based in our Tenancy Enforcement and Sustainment Team work hard to tackle poor behaviour amongst a minority of our tenants. It might be a last resort, but we will take legal action against individuals who breach their tenancy conditions to ensure our neighbourhoods are safe and happy places to live. Most issues that arise are resolved informally but sometimes they are referred to our specialist team if they are too complex, serious or there is suspicion of fraud. Legal action sometimes is the only way to stop behaviour that is having a negative impact on neighbours and the community at large. Some examples in 2022 where we have successfully taken enforcement action against persistent offenders include evictions for harassment and drug offences, suspended possession orders and banning orders for anti-social behaviour.

4.13 Our online engagement is on the rise

The Housing & Neighbourhoods Service Facebook page has continued to attract high numbers of reaches and post engagements. The page has 5,200 followers and has had nearly 10,000 post engagements (when someone has interacted with a post including reactions, comments, shares, and clicks on the post) and over 30,000 reaches (the number of people who saw any content from the Facebook page or about the page). The Council has recently procured a new engagement platform and we will explore how we can best use this to continue to broaden our engagement with tenants in 2023. We are also investing in a new Housing IT system to provide tenants with direct on-line access to a range of services through a new 'portal' 24 hours a day. A new online reporting tool for repairs is now in place and nearly a third

of repairs to housing properties are now being reported through that channel.

4.14 And we are supporting those tenants who aren't yet digitally confident As a landlord, we want to help our tenants to be able to access online services and be confident in their use of the internet and digital facilities. We currently offer free computer classes across the city run by friendly, helpful advisors from Learn for Life Enterprise who help our tenants to gain the skills they need and at a pace that suits them. The classes cover lots of topics such as applying online for Universal Credit, how to stay safe on the internet, staying in touch with friends and family, accessing health and other services and online banking. Being able to do things online, can help to save our tenants money, make things easier and more convenient and raise awareness of things such as bogus/scam callers and more recently disrepair claim firms cold calling and door knocking.

4.15 It's 'Your Home and Your Neighbourhood' Our news e-bulletin – Your Home, Your Neighbourhood is sent out to over 18,000 council housing tenants and leaseholders. The bulletin is a great way for us to get important information, updates, and advice out to our tenants. The bulletin is also a way of celebrating achievements and positive news stories from across our neighbourhoods. We actively encourage our tenants to sign up to the bulletin and to send us in any positive news stories they may have for inclusion in future bulletins.

4.16 Tenants feel they are treated with respect and are positive about their neighbourhoods We carry out regular satisfaction surveys with tenants to gain an understanding of how they feel about the services they receive. Based on survey scores to date, our highest performing satisfaction score is around how we treat our tenants. 8 out of 10 tenants feel that we treat them fairly and with respect. Other areas scoring well focus on the neighbourhood and area where our tenants live. 7 out of 10 tenants are satisfied with their neighbourhood as a place to live and 7 out of 10 feel that their home is well maintained and safe to live in. It is important for us to provide well maintained neighbourhoods which helps increase sustainability and places that people want to live. Satisfaction so far in 2022 with our new tenants has been positive, with around 8 out of 10 new tenants telling us that their new property meets their needs and that they feel they have been given all the information they need to start their tenancy successfully and they feel they know where to go for help and support if needed. We want to improve these scores even further and delivering our priorities for 2023/24 should help us do just that.

5. HRA Business Plan Service Priorities 2023/24

5.1 Changes to our Business Plan priorities will be The HRA faces significant budget pressures in 2023/24 and beyond. However, it remains important that the HRA Business Plan can continue to deliver on its priorities where possible. Some of our existing priorities have had to be reviewed for 2023/24 and significant service redesign

required to deliver savings

will be required to enable us to invest in our key HRA Business Plan priorities for 2023/24.

5.2 There is a HRA budgetary pressure of £22.8m in 23/24

The HRA Business Plan is facing significant budgetary pressures over at least the next 5 years. The overall impact of this is that the Council is unlikely to be able to fund all the plan's key priorities over the next 5 years. These pressures were considered and approved by the Council's Strategy and Resources Committee on 19th December 2022 as part of setting the Council's overall budget. The following table shows the pressures for 2023/24:

		2023/24
PRESSURES	BIP Reference	£000s
Rent loss from vacant properties	1.E1	3,000
Repairs Service pressures	3.E1	8,200
Cost of non-insourced repairs	3.E2	3,168
Increased disrepair claims	3.E3	2,645
Housing Ombudsman costs	1.E4	120
Additional staffing costs (OPIL)	2.E1	55
Housing Business Change Team	2.E4	100
Council Tax charges on vacant properties	3.E6	1,000
Increase SLA charge Parks and Countryside	3.E7	300
Community Safety Funding	4.E1	200
Increase in Hardship Fund	4.E2	300
Increase utility costs – non residential	5.E4	580
Additional IT costs	6.E3	61
22/23 Pay Award (Housing & Neighbourhoods)	1.E1 / 2.E3 / 3.E5 / 4.E4 / 5.E3 / 6.E2	765
23/24 Pay Award (Housing & Neighbourhoods)	1.E2 / 2.E2 / 3.E4 / 3.E3 / 5.E2 / 6.E1	1,245
Increase gas/electric prices for Community Heating	3.E8	1,100
TOTAL PRESSURES		22,839

The full HRA Budget Implementation Plans (BIPS) are available here [Budget and spending | Sheffield City Council](#)

<p>5.3 The SIP continues to deliver new homes for the city but has been reduced to 2,310 units as part of modelling</p>	<p>Section 4.3 set out the affordable housing challenges facing the city and the supply shortfall of over 900 affordable homes each year. Our own Stock Increase Programme is a major contributor to increasing affordable homes in the city and we had set an ambitious target of 3,100 homes over the next few years to meet this need. We are committed to building new council homes and increasing supply through market acquisitions, purchasing homes directly from developers and working closely with Sheffield Housing Company our joint venture partnership. In addition to direct delivery, we also continue to work in partnership with Registered Providers to increase the supply of affordable homes. The South Yorkshire Housing Partnership has made a commitment in its Housing Prospectus to the increase in supply across the region and we will endeavour, through our partnerships, to bring as many of those homes to Sheffield as possible.</p> <p>Our own Business Plan modelling however assumes that the council's Stock Increase Programme (SIP) is reduced to 2,310 units from the current figure of 3,100. There has been significant building cost inflation as well as increasing site preparation costs in some cases. This reduced target of 2,310 units accounts for all developments currently in the 'pipeline', but not 'opportunity' sites. The cost to complete delivery of the 3,100-unit programme has increased to £558m. Reducing to the 2,310 units brings the cost back to the approved budget of £354m. However further work will be undertaken with Members to agree and reprofile the SIP to ensure that it delivers maximum outputs within this budget envelope. And we will of course continue to look at opportunities to increase our development of council homes in the future as market conditions allow.</p>
<p>5.4 Some protection for the Repairs Service has been built into the budget</p>	<p>The 22/23 budget for the Repairs and Maintenance Service was initially set at £40.7m. However, this has been increased through the year to account for backlog maintenance, pay and inflation. The budget for 2023/24 assumes a continuation of the pressures identified in 2022/23 and adds a further £2.2m of inflationary and pay award pressures. The Repairs and Maintenance Service intend to manage the pay pressures through a review of overheads to generate savings of £1.5m (detailed below as a saving option). The final net budget for 2023/24 is therefore £47.4m.</p>
<p>5.5 The Council will continue to improve the energy efficiency of our housing stock and work towards Net Zero</p>	<p>In 2022/23 it is anticipated that a minimum of 774 homes will have been improved to at least an EPC C standard. Our plans include bringing the estimated 6,900 homes that are below EPC level C up to a minimum of EPC level C by 2030 and we will continue improvements to EPC ratings in 2023/24. Our work on retrofitting housing will be further informed by an externally commissioned report which will provide us with a roadmap detailing the investments we will need to make to achieve both EPC C and Net Zero across our housing stock. The Net Zero Carbon Road Map is currently being finalised will inform the investment options and solutions available to the us and of the likely costs. The outcome of this work and its</p>

implications feeds into the [Council's Climate Change 10-point Plan](#) and will be reported to the appropriate Council Committees.

5.6 Additional budget has also been added in for key areas of property improvement

Further provision has been made in the Business Plan for 2023/24 for other property-related priorities. The Secretary of State for the Department of Levelling Up, Homes and Communities (DLUHC) and the Regulator of Social Housing (RSH) have recently raised concerns around damp and mould issues in social housing. The Council have set up a Damp and Mould Task Group to undertake a full review of how the council deals with damp and mould cases and to oversee any changes to working practices. Budget provision has been made for this improvement in the HRA Business Plan. The Council has also seen an increase in disrepair claims from customers as the Repair and Maintenance Service continues to deal with COVID-related backlogs. Additional provision has been made in the 2023/24 budget to deal with these claims and tackling any outstanding repairs. Finally, the Council continues to make significant efficiency improvements in reletting empty properties, both to support demand for new homes and increase rental income. Additional support for this area has been provided through this plan.

5.7 Savings mitigations totalling £22.8m have been identified

HRA savings mitigations totalling £22.8m have been identified as part of rebalancing the HRA budget for 2023/24 to allow for investment in priorities above. These savings will have an impact on the services that the Housing and Neighbourhoods Service is able to provide to its customers. However, mitigations can be put in place to minimise those impacts whilst retaining a focus on the most vulnerable and in discharging our statutory duties. Significant service redesign will also be required in 23/24 to deliver all these savings during the year. These savings proposals were considered and approved by the Council's Strategy and Resources Committee on 19th December 2022 as part of setting the Council's overall budget and are summarised below:

		2023/24
SAVINGS	BIP Reference	£000s
End the HRA Community Fund	5.B2	50
Introduce Recharges to Tenants for a range of repairs caused by loss, misuse or damage	4.B1	300
Sell high value sundry properties	1.B1	2,000
Review of Repairs and Maintenance overheads	3.B1	1,500
Not re-opening closed access points	5.B4	150
Corporate charges standstill	1.B4	450
End of the garden pledge scheme	3.B3	400

Improvement in vacant rent loss	1.B3	1,790
Review of the Communications SLA	1.B8	200
Community Safety Funding	4.B2	200
Improvements in disrepairs management	3.B4	1,200
Review spending on Community Buildings	5.B1	200
Staff savings in City Wide Housing	2.B1	628
Staff savings in Neighbourhood Services	5.B3	1,250
Staff saving n Neighbourhood Intervention	4.B3	408
Staff savings in Investment Service	3.B2	397
Increase in Community Heating Charges	3.B5	1,100
7% rent increase	1.B6	10,616
TOTAL SAVINGS		22,839

The full HRA Budget Implementation Plans (BIPS) are available here [Budget and spending | Sheffield City Council](#)

5.8 The Council's ability to increase rents is set by Government

One of the main mitigations available to the Council is to increase income through a review of council housing rents. 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. The Government has announced a one-year 'ceiling' on social housing rents of 7% for 23/24. The Council must comply with the rent setting rules. If it fails to do so it may be made subject to regulatory action.

5.9 The 'rent ceiling' represents a reduction in income available to deliver services to tenants

The 'rent ceiling' for 2023/24 sets the maximum increase in dwelling rents that individual Councils are permitted to set for the forthcoming year. This maximum is 4.1% below the normal Rent Standard guidance – Consumer Price Index (CPI) in September of the previous year + an additional 1% - which would have resulted in an 11.1% increase for 2023/24. This means that the inflationary costs for delivering services to council housing tenants have had to be absorbed into the HRA Business Plan because of a below inflation rent increase. A further reduction in rental income by setting a rent increase below the 7% ceiling would require additional cuts in services to tenants.

5.10 Strategy and Resources Committee will be asked to

Strategy and Resources Committee will be asked to recommend to Full Council, a 7% rent increase in 2023/24 for all existing tenant rent accounts in line with the Rent Standard determination set out above. This increase will generate £10.6 million additional income to the HRA

recommend to Full Council, a 7% rent increase in 2023/24 for all existing tenant rent accounts

to improve services to tenants and mitigate some of the pressures described earlier in this paper. This rent increase would be covered by Housing Benefit/Universal Credit for the approximately 70% of tenants who are eligible and receive those payments. The remaining 30% of tenants would have to cover the full cost of the rent increase. However additional budget provision has been made within the Business Plan to provide an increase in financial support and Hardship payments to support those impacted by the current cost of living crisis. There will be an additional consideration for Strategy and Resources to increase this budget by £300,000 to £450,000 in 2023/24.

5.11 A 7% rent increase will deliver a balanced HRA budget for 2023/24

The table below provides Members with context for the 7% rent increase set out in paragraph 5.10 (and paragraphs 5.12 - 5.16). It shows the overall HRA position for different income scenarios assuming the savings proposals within this paper are adopted. This shows that a balanced budget position can be achieved through a combination of accepting the savings proposed within this report and a 7% rent increase.

All figures in £000's

Potential rent increase	0%	3%	5%	7%	11.1%
Additional rental income	0	-4,376	-7,494	-10,616	-17,009
Total Pressures	22,839	22,839	22,839	22,839	22,839
Total savings/mitigations proposed (excluding rent increase)	-12,223	-12,223	-12,223	-12,223	-12,223
NET BUDGET GAP	10,616	6,240	3,122	0	-6,393

5.12 The current policy of bringing all homes on relet to 'formula rent' will continue

The Rent Standard determination provides an exemption from the 7% 'ceiling' for properties becoming available for a first or subsequent relet during 2023/24. This continues the existing Rent Standard approach of bringing all properties to 'formula rent' levels when they are let to new or transferring tenants. Formula rent is the maximum that can be charged for a social rented property and in effect allows for a Consumer Price Index (CPI) + 1% rent increase on properties relet during the year. The continuation of this approach is consistent with previous rent setting determinations by the Council. Currently the average rent for a Sheffield City Council home is £0.66 less than formula compared with a difference of £0.69 last year.

5.13 Affordable rents will increase at the same rate as social rents

The Council continues to have a small but increasing number of properties that are let at an Affordable Rent (up to 80% of market rent). These are predominately new build properties and properties acquired as part of the stock increase programme. The 7% Rent Standard ceiling applies to all tenanted social housing rents so properties let at an Affordable Rent will also see a 7% increase in rent for 2023/24. Affordable Rent properties relet to a new tenant in 2023/24 will be let at 80% market rent in line with the Rent Standard. The financial appendix includes a table showing the Citywide average weekly rent by bed-size.

5.14 Garage rents are proposed to increase at the same rate as social rents	Rents for garages and garage sites are proposed to increase by 7% from April 2023 in line with dwelling rent increases.
5.15 Other fees and charges are proposed to increase by 7%	The burglar alarm, sheltered housing and temporary accommodation charges are also proposed to increase in line with dwelling rents at 7%.
5.16 Community heating customers will not be subject to a further price increase at this time	The community heating scheme operated by the Council, supplies heating and heating/hot water to almost 6,000 homes. Prices for community heating customers were increased in October 2022 and are therefore not proposed to be increased further in April 2023. This level of charges is unlikely to create a financial reserve to mitigate for further increases in the price of gas. This remains a risk to the business plan in future years. The energy market is seeing significant turbulence and increases in prices. This unprecedented situation will mean it is necessary to undertake a further mid-term review of the district heating account and prices.
5.17 The Financial Appendix provides an overall HRA budget for 2023/24	The Financial Appendix provide an overview of the HRA budget for 2023/24. The financial plan is based on several key assumptions to help us mitigate risks or changes that may occur in the coming year. All assumptions are reviewed and refreshed each year to reflect the changing economic environment in which the business plan operates. The current economic climate has made it very difficult to predict assumptions around inflation, interest rates and energy costs for 2023/24 which adds a further degree of uncertainty to this year's plan. The Appendix to this report also includes a table of average rents (assuming a 7% increase) and Social Housing Asset Value Data required published in accordance with the Local Government Transparency Code 2015.
5.18 Forecast Outturn 2022/23	Revenue budget monitoring reports have been presented to the Housing Policy Committee throughout 2022/23. The latest position is included in the financial appendix to this report.
6. HRA Business Plan Service Priorities 2023/24	
6.1 A series of proposed priorities are	A series of detailed service delivery priorities are included each year as part the refreshed Business Plan. These priorities guide the allocation of both financial and service resources for the forthcoming year. These priorities have been proposed through consultation with Members,

presented for consideration	tenants, colleagues and through a review of the internal and external policy environment. Details of each of these priorities is included in subsequent paragraphs of this report.
6.2 We have increased the budget for the repairs service	The Repairs and Maintenance Service has been under significant pressure during 2022/23. The inflationary environment has had a huge impact on the costs of materials and contractors and our ability to deal with demand from tenants. We have made some enhancements over the past 12 months by introducing a new IT system and new ways for tenants to report repairs. However, improving the speed with which we deal with repairs remains one of the top priorities for the Business Plan in 2023/24. A new Better Repairs Board, chaired by the Executive Director of Operational Services has been established, to drive further improvements and have oversight of progress as part of the transformation of these services. The budget for the service has been increased by £6.7m from the one set at this time last year in recognition of this.
6.3 We will tackle damp and mould in council homes	The Secretary of State for the Department of Levelling Up, Homes and Communities (DLUHC) and the Regulator of Social Housing (RSH) have recently raised concerns around damp and mould issues in social housing. The Council have set up a Damp and Mould Task Group to undertake a full review of how the council deals with damp and mould cases and to oversee any changes to working practices. This is chaired by Director of Housing Services and will cover all rented tenures including the private rented sector and registered providers. It also includes representatives from landlords, other statutory services, public health and the NHS to ensure we deliver a joined-up approach, share data and are solution focussed. Budget provision has been made for this improvement in the HRA Business Plan.
6.4 We will improve the way that we manage disrepair	The Council has seen an increase in disrepair claims from customers. Our aim is to address this investment need through our 5-year capital strategy and seek a long-term improvement in overall housing quality. In the short-term, additional provision has been made in the 2023/24 budget to resolve outstanding disrepair claims and complete any outstanding repairs. Work is also underway to ensure that we have the most efficient processes in place to manage claims and that our complaints process works in tandem with this. Our processes have been reviewed and a remediation process has been introduced to provide tenants with a resolution without having to seek a potentially time-consuming legal solution. We will also increase our communications with tenants to ensure that they are clear on the remedial routes available to them.
6.5 We will reduce the time that	The Council continues to make significant efficiency improvements in reletting empty properties, both to support demand for new homes and increase rental income. There is an acute shortage of council rented homes in the city. Our aim is to reduce the time that homes remain

properties are empty

empty and the amount of lost rent as a result. We are restructuring our teams to make these changes and show significant improvement.

6.6 We will significantly improve our gas servicing performance

The Housing Policy Committee approved a new Gas Servicing Policy at the end of 2022. This policy provides a clear position statement of the legal and statutory duties to undertake annual safety inspections and the Council's commitment to achieve 100% compliance. We recognise that we must improve in this area and have robust plans in place to do so as quickly as possible.

6.7 We will support tenants to manage their finances

We recognise that the current cost of living crisis is having a significant impact on our tenants. As a Council, we have developed a [Cost of living Webpage](#) providing access to wide range of services, warm welcoming spaces and self-help guides to support households who are struggling. We offer our tenants tailored support in budgeting, paying their rent and managing their household bills. We have also, as part of this year's Business Plan, proposed trebling the Hardship Fund available to our Income Management team to support tenants in need – increasing this to £450,000 in 2023/24.

6.8 We will improve the customers experience

We continue to improve complaints handling across all our housing services. There will be a strong focus on improving the timescales within which complaints are responded to, and on ensuring that the learning from complaints is captured and used to drive service improvements. We have published our response to the Housing Ombudsman's mandatory [Complaints Handling Code](#) and will continue to work towards further improvements in meeting their best practice outcomes. Improvements are also being implemented across all 3 main customer service channels – online, telephony and in-person. This work will improve the customer experience, making our services more accessible to all our customers and achieving greater efficiency.

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

As the recipients of our services, tenants are the best placed to tell us how we are doing. We want to increase the opportunities for tenants both to tell us how we are doing and to become more actively involved in shaping our services. The Council has invested in a new consultation platform - [Have Your Say Sheffield](#) – which will allow us to transform tenant involvement. We recognise that not all tenants can engage in this way so we will continue to support our work with Tenant and Resident Associations (TARAs) and link closely with colleagues in the Local Area Committee teams. We will also begin to review our portfolio of community buildings in 2023/24 to ensure that that they remain fit for purpose and meet the needs of communities in a way that balances the investment needs for the HRA.

6.10 We will be fair and respect all our customers Fairness and respect are themes firmly embedded in all that we do. And there will continue to be a strong focus on inclusion issues throughout our improvement plans for 2023/24. This will include clear commitments to ensure that: our services respond to the needs of all our customers; under-represented groups are involved in our work and have a voice; and that staff are well-trained in diversity and inclusion. We will also be delivering on several housing commitments in 2023/24 made as part of the Council's Race Equalities Commission Report Action Plan.

6.11 We will invest in our staff Supporting the local economy and providing improved employment and skills outcomes remains a key priority for the Council and we continue to promote and offer apprenticeships within the HRA. The Housing and Neighbourhoods Service has 12 apprentices completing Level 2 and Level 3, apprenticeships with a further 99 apprentices currently being trained within the Repairs and Maintenance Service. Further recruitment of apprentices is planned in 2023 for both services and we will continue to look at ways in which we can promote and encourage new apprentices from a range of backgrounds and communities to shape our workforce profile. We also offer several graduate roles each year and currently have 4 graduate trainees and will continue our involvement in the National Graduate Development Programme (NGDP) later in 2023. There is a national debate around the 'professionalisation' of housing as a career now so we will monitor these discussions, including exploring opportunities to introduce externally accredited qualifications, to offer staff in Sheffield improved opportunities to develop their careers.

6.12 Delivering our Landlord Commitments The revised HRA Business Plan priorities will continue to incorporate [Our Landlord Commitments](#) which help to drive service improvements for tenants. These are the services that tenants have told us they want to judge us on. The Business Plan priorities also align with the Council's strategic priorities for 2023/24 which will feed into a new medium term Corporate Plan.

7. HRA Business Plan Stock Investment Priorities 2023/24

7.1 The plan aims to increase planned capital spend to reduce revenue repairs The aim of the Housing Investment Programme is to effectively use capital expenditure on our housing stock to improve tenant's homes, encourage sustainability and to reduce future revenue repair costs. Council tenants should live in safe, warm, secure, and modern properties in attractive neighbourhoods. These overarching principles inform our investment priorities. The Housing Capital Investment Strategy will focus on a 'fabric first' approach to protect council housing assets, to reduce our ongoing and longer-term repairs and maintenance obligations and increase tenants' satisfaction with their homes. We will also be moving to 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.

-
- 7.2 Fire and building safety are key priorities** Fire and building safety remain key investment priorities. Over the next five years we are putting in place several fire prevention and fire safety measures for high rise blocks and high-risk properties and upgrading electrics within our homes. The installation of fire suppression systems on four blocks is currently projected to complete in early 2023. We have started developing the fire safety work proposals to the remaining high-rise blocks during 2022 and will continue this work along with consulting with residents of these blocks into 2023/24. The proposals will include closing waste chutes in tower blocks and providing modern day waste facilities.
-
- 7.3 Planned investment in elemental improvements will continue** We will continue with our planned investment work programmes already identified as priorities with tenants, such as roofing, windows and doors, kitchens, bathrooms, and heating. These activities contribute towards maintaining homes to the government 'Decent Homes' standard. A national review of the Decent Homes standard is currently underway and when this is published, we will need to revisit our level of compliance against any new decency standards and check that our investment plans are fit for purpose.
-
- 7.4 We are continuing investment in net zero solutions and improving the energy efficiency of our homes** A key priority for Sheffield is working towards the net zero carbon target for 2030. We will do this through our Housing Capital Investment Strategy and will focus on 'fabric first' to improve homes as part of more than £300 million investment over 5 years. We have also been successful in obtaining grant funding to support this target through the LAD 2 (Local Authority Decarbonisation Phase 2) and further pipeline bids for external grant funding through ECO4, Home Upgrade Grant Phase 2 and Social Housing Decarbonisation Fund Phase 2. Currently within the 5-year Housing Investment Plan 2023 to 2028, there is £35m funding that will contribute to reducing carbon emissions and improving the energy efficiency in the council stock. Our plans include bringing the estimated 6,900 homes that are below EPC level C up to a minimum of EPC level C by 2030. Sheffield is going beyond the government guidance on this (which is that all social housing must meet this standard by 2035). The Net Zero Carbon Road Map is currently being finalised will inform the investment options and solutions available to the us and of the likely costs. The outcome of this work and its implications feeds into the [Council's Climate Change 10-point Plan](#) and will be reported to the appropriate Council Committees.
-
- 7.5 We are reviewing our heating strategy to explore more** We are now revisiting our heating strategies and will be implementing changes in 2023. The investment we have made in heating has already led to a significant reduction in emissions with 32,000 homes having 'A-rated' energy efficient boilers installed since 2008. We recognise the need to reduce our reliance on gas, but we do anticipate that gas boiler replacement will still figure in some way in any revised heating plans for

sustainable solutions

at least the next 5 years. The heating obsolescence within the housing stock will require replacement before technologies, such as heat pumps and hydrogen are able to deliver viable and affordable solutions. There are also technical and spatial reasons why gas will still be the most viable solution for some sites. However, we will ensure that any new gas boilers have higher levels of efficiency and are combined with other measures so that a net reduction in carbon emissions is still achieved overall. We also have 130 community heating boiler schemes powered by gas that will need replacing in the next 5 years and our proposals will reduce carbon emissions at those sites. We have 4 community heating sites that are in urgent need of replacement, and these are being prioritised as part of Housing Investment Plan for 2023/24. As part of our council housing stock increase programme, we are already delivering new build homes with enhanced performance specifications such as increased thermal efficiency and increased air tightness. We are also exploring further options for our future new build homes to achieve low-carbon emitting, no-gas homes.

7.6 The Stock Increase Programme continues to deliver new homes but has been reduced to 2,310 units

The Stock Increase Programme (SIP) continues to deliver new social homes for the city to partially mitigate the continual loss of properties through Right to Buy. The Business Plan modelling that has been undertaken assumes that the SIP is reduced to 2,310 units from the current figure of 3,100. There has been significant building cost inflation as well as increasing site preparation costs in some cases. This reduced target of 2,310 units accounts for all developments currently in the 'pipeline', but not 'opportunity' sites. The cost to complete delivery of the 3,100-unit programme has increased to £558m. Reducing to the 2,310 units brings the cost back to the approved budget of £354m. We have changed the type and mix of homes being delivered by the SIP. This has changed the cost profile and includes a move to more specialist and Older Person Independent Living schemes, increasing some costs. Further work will be undertaken with Members to agree and reprofile the SIP to ensure that it delivers maximum outputs within this budget envelope

7.7 Gleadless Valley

The Gleadless Valley Masterplan was approved Autumn 2022. The Masterplan sets out four regeneration themes for the estate including investment in existing units and new build. It is anticipated that the HRA funding identified for the Masterplan will support activity from the present into years 5-6. Additional funding opportunities will be considered during the lifetime of the programme to support further investment opportunities and to ensure the principles of the Masterplan are delivered.

7.8 More details are in the Financial Appendix

The revised 5-year capital investment programme budget 2023/24 - 2027/28 and planned expenditure is included in the Financial Appendix that accompanies this report

This page is intentionally left blank