

SHEFFIELD CITY COUNCIL

COUNCIL MEETING – 5TH FEBRUARY 2014

ITEM OF BUSINESS NO. 8 – HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN UPDATE, HRA BUDGET AND RENT INCREASE 2014/15

Amendment to be moved by Councillor Penny Baker, seconded by Councillor Andrew Sangar

That the recommendations made by the Cabinet at its meeting held on 15th January 2014, concerning the Housing Revenue Account Business Plan Update, HRA Budget and Rent Increase 2014/15, be approved with the following comments and amendments:-

- (a) confirms that a rise in rents is a decision reserved for the Council and that any claim that the decision has been 'forced' by the Government is incorrect;
- (b) notes that the target rent policy, which was introduced by the last Government, is a guideline policy and that local authorities have been given more control over rent-setting since the move to self-financing of Housing Revenue Accounts;
- (c) believes that an excessive 6.2% rise in rents will be damaging to many Council tenants across Sheffield who are struggling with finances;
- (d) notes that Liberal Democrat-controlled Portsmouth City Council have previously agreed rises in rent below guideline levels and therefore confirms such a policy is possible;
- (e) regrets that members of the ruling group blocked discussion of this hike at last week's Safer and Stronger Communities Scrutiny Committee meeting, thereby denying tenants the scrutiny they deserve;
- (f) believes the Administration are forcing through this hike without scrutiny because they think they can get away with blaming someone else;
- (g) understands that the hike in rents could be halved if an annual revenue saving of £3.3 million can be identified;
- (h) furthermore, confirms that above guideline rises in future years could return Sheffield rents to target rent values;
- (i) therefore, recommends that the following savings are investigated in order to halve the proposed hike in council rents and accordingly, a rent increase for Council dwellings of 3.1% (not 6.2%) from April 2014

be approved:-

- (i) 10% reduction in senior managers and back office teams equating to roughly £923,000;
 - (ii) 15% reduction in office costs and overheads equating to roughly £635,000;
 - (iii) 10% reduction in area teams equating to roughly £1,216,000;
 - (iv) 10% reduction in estate officers and environmental services equating to roughly £402,000; and
 - (v) 6% reduction in other costs coming from Going Local funds equating to roughly £115,000; and
- (j) notes the advice of the Section 151 officer that these saving targets could be achieved within the 2014-15 financial year, but recognises that if savings cannot be realised, a reduction will need to be made to the transfer to capital reserves, accepting the possible implications for future investment.