



## Report to Policy Committee

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

**Tel:** 0114 2735493

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**Report of:** Executive Director, Operational Services  
**Report to:** Housing Policy Committee  
**Date of Decision:** 15 September 2022  
**Subject:** Housing General Fund Savings 2023/24

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

### **Purpose of Report:**

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

**Recommendations:**

It is recommended that the Housing Policy Committee: -

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

**Background Papers:**

None

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Helen Damon</i>
		Legal: <i>Stephen Tonge</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	<b>EMT member who approved submission:</b>	<i>Ajman Ali</i>
3	<b>Committee Chair consulted:</b>	<i>Cllr Douglas Johnson</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Janet Sharpe</i>	<b>Job Title:</b> <i>Director of Housing</i>
	<b>Date:</b> 7 <sup>th</sup> September 2022	

## 1. Proposal

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| <b>1.1 This paper asks Members to consider Housing General Fund savings options for 23/24</b> | The Council's Strategy and Resources Committee approved a Medium-Term Financial Analysis and Committee Budget Recommendations in July this year. This report set the savings targets for the Housing General Fund 23/24 which Housing Policy Committee are required to make. This report sets the context for the decisions that will be required by this Committee in November 2022. A series of options for achieving these savings will be developed for this Committee to consider. |
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## 2. Background

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| <b>2.1 The Council has an overall budget shortfall for 23/24</b> | The Strategy and Resources Committee considered the overall budget situation being faced by the Council in their report in July 2022. This identified an overall £53m budget shortfall for 23/34. These figures have been slightly revised following further increases in utility costs and on-going national pay discussions for Council staff. |
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| <b>2.2 S&amp;R Committee have set a Housing General Fund savings target of £732k for 23/24</b> | The target saving set by Strategy and Resources Committee for the Housing General Fund is now £723k. The total Housing General Fund budget for 23/24 is £4.4m. This represents a 16% saving on the 22/23 budget. |
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| <b>2.3 There are 3 components – withdrawal of CIF funding for stock increase, reduction in staffing budgets and increases in energy costs</b> | <p>There are 3 components to the pressures of £723k in 23/24. The first of these is the withdrawal of Corporate Investment Fund (CIF) support. This funding is used to pay for the team delivering the Housing Stock Increase Programme. The second component is the reduction in General Fund contributions to teams delivering housing services to citizens, with the third component relating to the increases in energy costs for these teams. These teams are delivering:</p> <ul style="list-style-type: none"><li>• Homelessness and housing support to non-council housing tenants</li><li>• Support and enforcement of standards to tenants living in the private rented sector</li><li>• Services to Gypsy and Traveller site residents</li><li>• The City's Housing Strategy</li></ul> |
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- Regional homes and loans services

<p><b>2.4</b> There are potential impacts on services to vulnerable people because of these savings</p>	<p>The teams listed above deal with some of the most vulnerable citizens in Sheffield. The current cost of living crisis is increasing the number of homeless households and rough sleepers that the service is supporting. The increasing cost of homes in the private rented sector is also putting pressure on temporary accommodation solutions in the city. Standards in some parts of the private rented sector remain challenging, with new Fire Safety legislation coming into force over the next couple of years.</p>
<p><b>2.5</b> The specific impacts on the delivery of services will depend on the scale of savings required</p>	<p>The delivery of savings will have an impact on services provided to citizens of Sheffield:</p> <ul style="list-style-type: none"> <li>• <b>Homelessness and housing support to non-council housing tenants</b> - there is a risk of longer waiting times for homelessness applicants with more customers in hotels and temporary accommodation for longer periods and delays in securing move-on accommodation. The Council may be at risk of legal challenges if statutory duties for decision making are not met.</li> <li>• <b>Support and enforcement of standards to tenants living in the private rented sector</b> – the ability to respond in a timely way to enforcement issues could be affected. A reduction in the Council’s ability to protect tenants at risk of illegal eviction would increase the demand and therefore costs for the homelessness service. There may be impacts in the delivery of specific schemes run to support private sector standards in the city.</li> <li>• <b>Services to Gypsy and Traveller site residents</b> – budget reductions could result in slower response times and a less proactive response to issues.</li> <li>• <b>The City’s Housing Strategy</b> – this could impact on the delivery of the Housing Strategy and other related strategic documents and may slow the response to the Race Equality Commission recommendations around implementing a new Strategy. Proactive engagement with Registered Providers may also be affected.</li> </ul>
<p><b>2.6</b> There may be an impact on new social housing</p>	<p>Affordable housing growth is a key priority for the Council. However, there is a risk that a reduction in budget may slow housing growth in the city. There are significant pressures on</p>

the Housing Revenue Account proportion of the stock increase programme (set out in the HRA Business Plan report to this Committee) which may mean a reduction in the development of new council housing. Reductions in General Fund contributions may also affect the non-council housing parts of the Council's Affordable Housing Programme.

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<b>2.7 HPC will need to agree a balanced budget in November</b>	A further report setting out the options for achieving the required £723k savings will be drafted for the next meeting of this Committee in November 2022. The Committee will be asked at that meeting to agree recommendations for achieving a balanced Housing General Fund budget for 23/24. These recommendations will then be further considered by the following Strategy and Resources Committee in December as part of the overall Council budget setting process for 23/24.
<b>2.8 Initial savings options are presented as a Part 2 report</b>	Initial options for achieving the required Housing General Fund savings are contained in a Part 2 report to this Committee. These savings are likely to come from service reductions and staff reductions. Further consultation will be required with tenants, staff, and Trade Union representatives on the impact of these proposals before any decisions can be made.
<b>3. How does this decision contribute?</b>	
<b>3.1 The proposals recognise the difficult financial situation</b>	The proposals in this report are aimed at maximising financial resources to deliver housing outcomes to citizens in Sheffield considering developments in national policy, the current economic climate, and reductions in government funding.
<b>3.2 Housing General Fund services are part of the current One Year Plan</b>	The services listed here have made a significant contribution to the delivery of <i>'High quality, safe homes for all our citizens'</i> as part of the Council's One-year Plan. Specific targets around the delivery of new homes, protecting citizens in the private rented sector and delivery of routes out of homelessness and rough sleeping have been priorities for the Council in 22/23.
<b>3.3 Services will need to reflect the emerging Medium Term Corporate Plan</b>	The Council have developed a new set of strategic priorities for 2023/24 (Our Sheffield – administration priorities) with the intention for these priorities to form the basis of the new medium term Corporate Plan which is currently in development. As the new Corporate Plan emerges from

these administration priorities, we will continue to ensure that our own priorities link and feed into to broader corporate priorities where relevant.

#### 4. Has there been any consultation?

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<b>4.1 Consultation will be undertaken as proposals develop</b>	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. There will also be a requirement to consult with staff and Trade Union representatives on any proposals that will affect future staffing levels.
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#### 5. Risk analysis and implications of the decision

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<b>5.1 There are no direct equality implications arising from this report</b>	<b>Equality Implications</b> 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.
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<b>5.2 There are no direct financial implications arising from this report</b>	<b>Financial and Commercial Implications</b> Each Committee is required to deliver a cash standstill budget for 2023/24, which requires them to find mitigations for any Service pressures over above 2022/23 budget. The purpose of this is to allow the Council to achieve a balanced position for 2023/24 by the time the Strategy and Resources meets on 12 October 2022.  The pressures are set out in this paper. Currently this Committee has pressures of £723k to meet.  A further report will be presented to the November 2022 Housing Policy Committee to present mitigation proposals to meet its savings target.  All Committees savings proposals will be considered by the Strategy & Resources Committee before final sign off to ensure a balance 2023/24 budget for the Council as a whole.
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<b>5.3 There are no direct legal implications arising from this report</b>	<b>Legal Implications</b> In this report Housing Policy Committee are not being asked to make any decisions. Consequently, no immediate legal issues arise from this report. However, in view of the nature of the forewarnings set out in this report, Committee
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members should be mindful to ensure that the report scheduled for consideration in November, wherein they will be asked to make important decisions on reducing expenditure, should be very clear as to what of the Councils statutory functions, if any, will be impacted. Committee members should further seek to be assured in that report how the Council will continue to discharge its related statutory duties and the exercise of which discretionary powers may be adversely impacted by expenditure cuts.

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

**Climate Implications**

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

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**6. Alternative options considered**

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**6.1 No other options were considered**

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.

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**7. Reasons for recommendations**

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**7.1 Members are asked to note the challenging budget situation**

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

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