



# Housing Revenue Account Business Plan

2025-2026



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# 1 - Introduction

The Housing Revenue Account (HRA) is the financial account of the Council as a landlord. It is ringfenced 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 £187m 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 2025/26. 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 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.

### **National Government Changes**

The 2024 UK General Election saw the Labour Party securing victory and returning to power in July 2024 after 14 years of Conservative leadership. Announcements from the new Labour government since July have included reforms around a future rent standard and changes to Right to Buy policy.

- **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. For the HRA Business Plan 2025/26 we have assumed a rent increase in line with the current Rent Standard which is the Consumer Price Index (CPI) for September + 1%. CPI for September 2024 was 1.7%, meaning the maximum rent increase that the Council can make for 2025/26 is 2.7%.

As part of the Autumn Budget statement, the Government announced it would be launching a consultation on a new 5-year rent standard from 2026. The aim is to provide more certainty and stability which will help to support longer term planning and investment. As part of the consultation, the Government have also asked for views on alternative and longer-term rent settlements such as up to 10 years and a 5-year rolling settlement. The outcomes of the consultation and further detail of the new Rent Standard are expected in 2025.

- **Right to Buy**

The Right to Buy scheme allows social housing tenants in England to buy their social homes at a discounted price. Since 1980 when the scheme was first introduced, Sheffield City Council has lost almost half of its stock through Right to Buy. In the Autumn Budget statement, Government announced several key changes to the Right to Buy scheme. This has included a significant reduction in discounts to the scheme effective from November 2024. The maximum discount in Sheffield was previously £102,400 but has now been reduced to £24,000.

Government has since launched a consultation on further reforms to the scheme including proposals around qualifying criteria, exemptions and restrictions.

Local authorities are now able to keep 100% of receipts from sales of council homes purchased under Right to Buy. Previously, local authorities had to give a proportion of the receipt from any sale to the Treasury. This change means that the Council will retain more money to reinvest directly back into our housing stock and into new supply. Over time, these new changes may also result in reduced Right to Buy purchases, which would mean that our stock levels would be better retained going forwards.

## **Social Housing Regulation**

- **Consumer Standards**

The Regulator of Social Housing's (RSH) Consumer Standards came into force for local authorities in April 2024. There are four consumer standards which define the outcomes that all social housing providers must deliver on. These are:

- Safety and Quality
- Transparency, Influence and Accountability
- Neighbourhood and Community
- Tenancy

In July 2024, Sheffield City Council received a C3 judgment from the RSH, indicating that the Council is currently failing to deliver the necessary outcomes of the Safety and Quality Standard. In response to this judgment, we have been actively collaborating with the RSH and have developed a series of improvement activities aimed at addressing the regulatory concerns. Regular monthly meetings with RSH have been taking place and will continue into 2025/26, giving us the opportunity to demonstrate progress in delivering the required improvements. This year's HRA Business Plan has been developed with all of this in mind and will support us to deliver a programme of works in the year ahead that focuses on addressing the Regulator's concerns and achieving regulatory compliance.

- **Tenant Satisfaction Measures (TSM)**

Tenant Satisfaction Measures (TSMs) are a set of 22 performance indicators that help to assess how well social housing landlords are providing their services. All social housing providers have been required to report on these to the RSH since April 2023. 10 of the TSMs are measured through housing management information, and the other 12 are measured directly through a tenant perception survey. We submitted our 2023/24 TSM performance in June 2024 and performance for all social housing providers are expected to be published by the RSH very soon. We have participated in benchmarking exercises in 2023/24 which have helped us to understand how we are performing compared to similar sized local authorities to Sheffield. This has helped us set realistic, but ambitious targets, helping to drive improvement across all TSM areas. We routinely collect and monitor TSM performance, via our independent researchers, throughout the year. A quarterly performance report is presented to the Housing Policy Committee which details progress on TSM performance. TSM performance is shared with tenants through our tenant news bulletin, via the Housing &

Neighbourhoods Facebook page and through our Communications and Tenant Satisfaction (CATS) Panel. In 2024 we launched an interactive [Tenant Satisfaction Dashboard](#) which enables tenants to view TSM performance including specifically by the neighbourhood area they live in.

- **Competency & Conduct Standard**

In early 2024, the then Government issued a consultation on a new Competence and Conduct Standard. The Standard will mean senior housing managers to have or be working towards a relevant housing qualification. It will ensure that staff have up-to-date skills, knowledge and experience, and that they show the right behaviours to deliver a high quality, professional service and treat residents with respect. As part of the Future Rent Policy consultation, the new Government have indicated their intention to direct the RSH to introduce a new competence and conduct standard in 2025. In preparation for this, we will be reviewing what our future workforce needs to look like, ensuring all our Housing and Repairs staff are working to consistent professional standards. It is also important that our technical and enforcement teams across the service maintain the qualifications and accreditations required to deliver a good service to our tenants.

We will continue our commitment to increasing and investing in our apprenticeships, higher level apprenticeship and graduate training programmes. We have a strong record of apprenticeships across Housing and Repairs and currently have 122 apprentices undertaking their qualifications with us.

- **New Decent Homes Standard**

Government have indicated that they are likely to consult on a proposed new Decent Homes Standard in 2025. It is expected that a new Decent Homes Standard will introduce additional requirements relating to the state of repair of homes, new requirements on damp and mould, and new requirements regarding the safety and security of homes. Increased legislation is also expected for damp and mould, meaning damp and mould hazards being investigated and remedied to set timescales.

## **Building and Fire Safety**

The Building Safety Act was approved 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 is a particular focus on high-rise (11m plus) and high-risk buildings and capital funding has been set aside to improve tenancy management, resident engagement and the fabric of high-rise buildings to ensure we are compliant with the new regulations. Any necessary actions to ensure that our buildings remain safe and compliant are likely to mean increased costs for the HRA and ongoing tenant and resident engagement and, tenancy management. Government have also stated that they will bring forward legislation for Awaab's Law in the social rented sector, so that hazards such as damp and mould must be investigated and remedied to set timescales. The Grenfell Tower Inquiry's final report was published in September 2024. It sets out how a chain of systematic failures across central and local government, as well as the private sector, led to the tragedy. We acknowledge the recommendations made as part of this report, and the impact it will have on the social housing sector if implemented. Fire safety

remains a key priority and are committed to ensuring that our tenants live in safe and protected homes.

## **Welfare Reform**

The transition to Universal Credit for tenants receiving support with paying their rent continues in Sheffield. All working age tenants on benefits such as Employment Support Allowance (ESA), Tax Credits or Housing Benefit are due to be transitioned to Universal Credit by the end of 2025. Experience working with tenants over previous years 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. The clear message to tenants receiving notice from the Department of Work and Pensions that they need to claim Universal Credit is to act on this, and help is available for those struggling to make their claim. The potential risk of higher arrears as many tenants are moved to Universal Credit will be factored into our performance and targets for the forthcoming year.

## **Inflation & Cost-of-Living Crisis**

High inflation rates over the last few years had a direct impact on the Council's HRA. Increased costs in construction, labour and materials have meant we have had less money to deliver on the things we have wanted to. Inflation rates have now fallen, with sustained lower rates being assumed as part of our future financial forecasting. Although lower inflation levels are anticipated for 2025-26, leading to a smaller increase in rental income compared to the previous year, the lasting effects of higher inflation from previous years remains. We also know that the cost-of-living crisis continues to have a sustained impact on some our tenants. It is therefore important that we continue to support tenants facing financial difficulties to help them sustain their tenancies. Direct funding remains in place to support tenants facing difficulties, alongside other Hardship Fund payments, and advice from debt support workers.

## **Increases in Demand**

The demand for social housing continues to rise nationally, with over 1.3 million households on social housing waitlists in the UK. The number of households on Sheffield City Council's housing register was over 25,800 in September 2024, a significant increase on previous years. With net social housing stock levels reducing every year, demand is becoming increasingly challenging for social housing providers across the country to manage. Because of demand becoming increasingly hard to meet, temporary accommodation usage has seen a huge increase in the past few years. In 2024, over 117,000 households were living in temporary accommodation, which is more than double the number in 2011. As of September 2024, there were 743 households living in temporary accommodation or hotels in Sheffield. With a cap on the amount of money that can be recovered from central government for temporary accommodation usage, this has created huge financial pressures for local authorities across the country.

## Sheffield City Council Plan 2024-28

The Council Plan 2024-28 provides a clear strategic direction for the Council for the medium-to-long-term. The HRA Business plan priorities align with the Council Plan priorities, specifically:

- [Great neighbourhoods that people are happy to call home](#)
- [People live in caring, engaged communities that value diversity and support wellbeing](#)

The delivery of the HRA Plan 2025/26 will help to contribute to delivery of these outcomes.

### Customer Experience and Digital Strategies

The Council's [Customer Experience Strategy and Digital Strategy](#) were approved in 2024 and seek to ensure an organisation wide approach to customer services and digital transformation. With over 40,000 tenants, we are a key customer service provider, and as such will be feeding into both strategies over the next few years. The HRA Business Plan has been reviewed with these strategies in mind, and our programme of work over the next year will seek to contribute to improved customer and digital services.

### Housing Strategy

A citywide Housing Strategy was approved at the Council's Strategy and Resources Committee in October 2024. Alongside an ambitious plan for improving housing of all tenures in Sheffield, it sets out the key aims for improving and making the best use of council homes in the city. This includes increasing the supply of specialist, temporary, and supported housing through social housing, reducing carbon emissions, and accelerating regeneration. The HRA Business Plan 2025/26 will feed into and align with the ambitions of the new Housing Strategy.





### 3 - Our Housing Profile

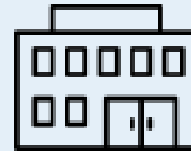
**17,107 Houses**



**15,725 Flats**



**2,731 Maisonettes**



**2,638 Bungalows**



**38,201 Total Stock**



**2,967 Leaseholders**

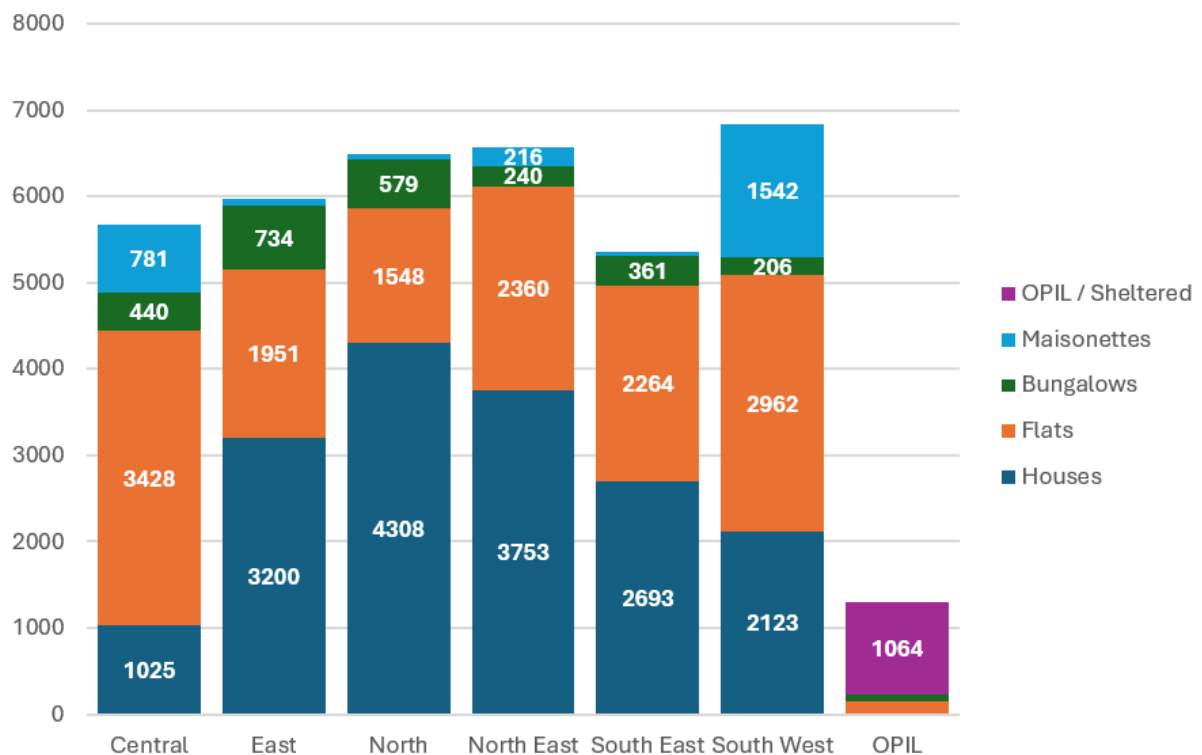


## Council Housing Stock by Neighbourhood Area



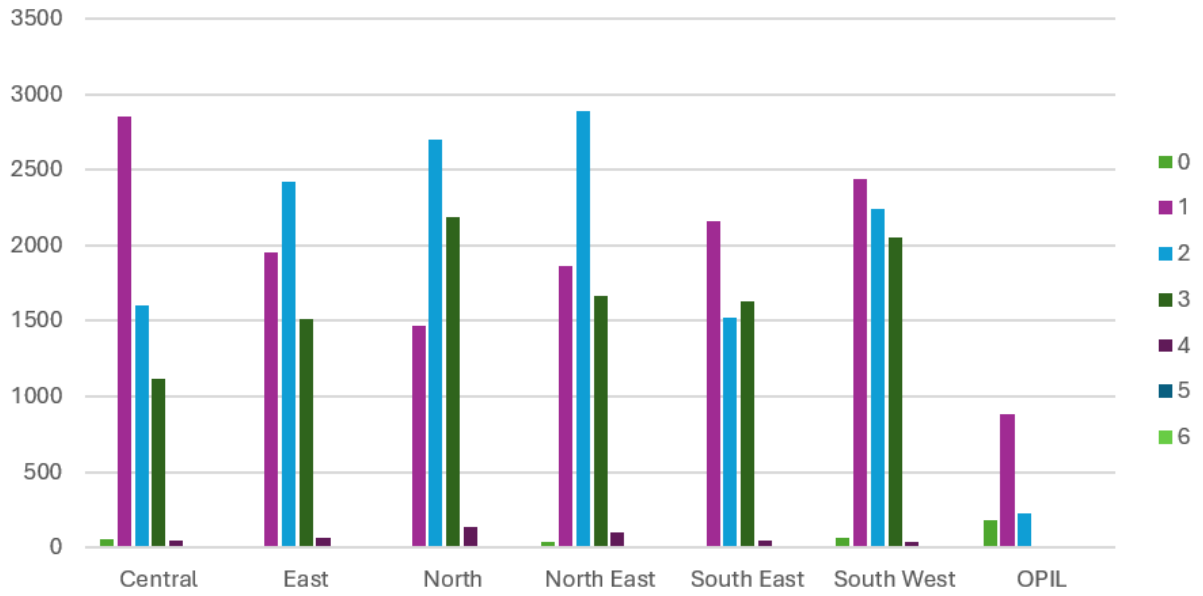
\*OPIL stands for Older Persons Independent Living. Data as of October 2024.

## Building Type by Neighbourhood Area



\*OPIL stands for Older Persons Independent Living. Data as of October 2024.

## Number of Bedrooms by Neighbourhood Area



\*OPIL stands for Older Persons Independent Living. Data as of October 2024.



## 4 - HRA Business Plan Commitments

The annual update of the Business Plan provides the opportunity to review our current commitments regarding service delivery and investment in council homes. Our service commitments for 2025/26 have been reviewed and refreshed so they cover all essential areas. This ensures that they align with regulatory requirements and with the feedback from our tenants about what is important to them.

### **We will improve the repairs service to create a better experience for customers**



Improving our repairs service continues to be a key priority to us and our tenants. Over the last 12 months we have developed an action plan that is helping us to focus on the key improvement areas. This includes reducing the number of overdue and outstanding repairs, improving how our tenants can report a repair, how we keep tenants informed about their repair requests and how we can get better at getting our repairs completed 'right first time'. We have already started to make changes over the last 12 months, such as publishing a new repairs policy that helps to set out what our tenants should expect as part of our repairs offer. Tenant satisfaction levels with the repairs service and the time it takes to complete a repair are progressively getting better, which correlates with the improvement works. However, we know there is still further work we need to do to get to where we want and need to be and will continue this work into 2025/26.

### **We will tackle damp, mould, and condensation in council homes, raising awareness and delivering remedial action**



We have conducted a further self-assessment to determine our ability to meet the Housing Ombudsman recommendations in this area. We have also engaged with external consultants to ensure we are well placed to meet the potential requirements of Awaab's Law which is due to go live in 2025. Several actions are being taken including a review of our Damp and Mould policy; development of clear procedures; risk assessment of cases; technical diagnostic training; dashboards and analysis tools; aftercare solutions and support mechanisms for customers who are experiencing damp, mould and condensation issues that are not caused by building defects. We will also continue to communicate and provide

information to our tenants that can help prevent some of the causes of damp and mould in their homes.

### **We will improve the management of disrepair claims, communicating clearly with customers and tackling backlogs**



The reduction of the backlog of disrepair cases and the more efficient management of future disrepair cases remains a priority for the service. Additional resources have been deployed to reduce the backlog and a repairs improvement plan is in place to help prevent future repairs from escalating into a disrepair claim. We will also be more robust in our approach to solicitors pursuing disrepair claims and be clearer in our expectations of tenants in relation to access to homes to complete disrepair jobs. Our aim is to significantly reduce the backlog in 2025/26 which will have a positive knock-on effect for the amount of compensation paid.

### **We will reduce the time that properties are empty, restructuring our services to get homes ready for new tenants as quickly as possible**



We're working hard to improve the time it takes us to make our empty council homes available to rent, reducing the amount of rent lost as a result and improving the quality of homes for our customers. We have reduced the overall number of empty homes this year and we are working hard to reduce this even further. We have commissioned additional external specialists to do work specifically targeting our longer-term empty properties, which we anticipate will result in a significant fall in empty properties. We have also reviewed our processes on how we re-let our homes when they do become empty, helping to improve the time it takes from viewing to signing for a tenancy. There's still further work to do, and we will continue to work with teams to try to improve and build on what has been achieved already. We want to become one of the best performing authorities in respect of void management, and to achieve the Council Plan outcome of Great Neighbourhoods that people are happy to call home.

### **We will improve stock condition data to build our knowledge of the condition of our homes plan for the future**



The development of an Asset Management Strategy (AMS) is essential in devising future investment programmes which will meet the requirements of the council housing service over the coming years. It is recognised that there are insufficient resources to deliver all required home improvement programmes and the AMS will set out our core principles linked to regulation and compliance and also the emerging themes which include building safety and decarbonisation. The commission of 20,000 additional stock condition surveys over the next two years will allow for investment decisions to be data driven which will focus decision making on both

investment and divestment opportunities. The AMS will be presented to the Housing Policy Committee in 2025.

### **We will improve our health and safety compliance, focusing on achieving excellent performance in health and safety checks**



Ensuring our homes are safe for tenants is a key priority for us. Over the coming year we will ensure that we carry out health and safety checks to properties and communal areas. This includes 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 the required checks on time. Where we are not able to complete health and safety checks, we will take more robust action to enforce our tenancy conditions where appropriate.

### **We will manage fire and building safety and focus on achieving full compliance with regulatory requirements**



We are focusing on steps to enhance fire safety and compliance across the Housing Service. We are establishing a permanent Fire Safety Service structure which will ensure stability and build a strong focus on meeting regulatory duties. This will provide the Council with confidence that we are consistently fulfilling our fire safety responsibilities and supporting proactive, rather than reactive, fire risk management. Alongside this we have the following scheduled fire safety projects; tower block dual staircase fire safety upgrades; fire safety upgrades to sundry properties and improving overall fire integrity. We will be launching a Social Housing Fire Safety Policy, creating clear guidance on fire safety standards, protocols, and responsibilities across the service. These changes will significantly enhance our customers' safety and peace of mind. The new service structure will improve continuity and reliability, while the projects will raise fire safety standards within residents' homes. The new policy will bring greater transparency, helping residents feel confident in our commitment to their safety and informed on fire safety practices.

### **We will work towards creating greener, more energy efficient homes, focusing on reducing fuel poverty**



We remain committed to bringing all Council homes up to a minimum Energy Performance Certificate (EPC) rating of C by 2030. To support this, we are submitting an ambitious bid under the Warm Homes: Social Housing Fund scheme. This would allow us to improve energy efficiency in 1,749 homes. It would also include the installation of 150 Air Source Heat Pumps, replacing older, inefficient gas boilers with an energy efficient alternative that would contribute toward the Council's net zero ambitions. A tenant communication and engagement plan surrounding the decarbonisation of our homes will be developed and started in the year ahead. The communications plan will include details on how decarbonisation will be achieved, when, the benefits and challenges. A

priority project for the year ahead will be to develop a Solar Panels Strategy that will contribute towards the route map to carbon net zero, and as part of the Asset Management Strategy. This will set out the funding model and approach, evaluate solar farms and roof installations, benefits to tenants, and income for the Council.

### **We will be proactive in our management of neighbourhoods, challenging anti-social behaviour, neighbour nuisance, and tenancy breaches**



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. We will ensure that we are utilising the legal powers available to us to tackle anti-social behaviour and other breaches of tenancy. Using these powers will see a reduction in harmful behaviours across our communities and the swifter return of properties to those residents in the city who need them.

### **We will make our neighbourhoods more attractive, including making shared areas more welcoming**



We want our tenants to have clean, well-maintained shared areas that they feel satisfied with. We have invested in additional cleaning resources which will make a difference over the coming year, as we aim to improve the quality and frequency of our cleaning of communal areas. We will also be working more closely with tenants to understand what they want to see from their shared areas. Each neighbourhood team will have access to the area maintenance allowance funds, which are there to make small physical improvements that can make a big difference to an individual or a community. We aspire to create clean attractive and safe shared areas and will ensure that we remove any fly tipping and graffiti as quickly as possible and take enforcement against those who do not dispose of their waste correctly or commit environmental vandalism. We will carry out regular walkabouts in our neighbourhoods where customers can identify areas for improvement and suggest how we could make changes that benefits our communities. Customer feedback is important to us, and we will continue to work with tenants who leave us feedback on shared areas as part of the monthly neighbourhood satisfaction survey, to better understand what the key issues are and how we can help to resolve them.

### **We will support tenants to manage their finances providing advice around income management and rent payment**



We will be providing targeted support to the 6,000 tenants who will be moved over to Universal Credit by the end of 2025. This will involve

increasing awareness of this change and supporting tenants to claim Universal Credit and then understand how this affects them financially. We will continue to direct customers to funding available, which will help them to manage their money and ultimately pay their rent. We will also continue to expand our work out in communities via rent surgeries and co-working with partners in locations, ensuring customers can access our service face to face when required.

### **We will improve the customer experience, making it easier and quicker to contact us, learning from complaints when things go wrong**



We form a crucial part of the Council's new Digital Strategy and Customer Experience Strategy, with plans to improve our digital offer with more opportunities for customers to access our services online in the year ahead. 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 into all that we do. Satisfaction levels amongst tenants in this area is high and we want to ensure that this continues to improve. Ensuring our services are accessible, inclusive, and meet the needs of all our customers remains a key priority. This year we want to use the data we have to better understand the diverse needs of our tenants, which will help us improve our services and better design them going forwards. We also need to better understand how we can reach more under-represented groups through our consultations, surveys, and other important engagement activities. We will continue our work as part of our action plan in response to recommendations made in the Race Equality Commission Report.

### **We will increase the opportunities for tenants to get involved in shaping services, allowing tenants to challenge us and help us to improve**



We will continue working to improve our involvement offer for tenants, creating more opportunities for a broader range of our tenants to get involved. Over the past year we have established a range of new tenant panels, some of which will be reviewed and developed in the year ahead. We also launched our Mystery Shopping programme with tenants reviewing the call centre and estates services so far. We will continue to support our work with Tenant and Resident Associations (TARAs), looking at how we can better support them to be effective in their communities. We will continue to work closely with the Local Area Committee (LACs) and other services supporting our vulnerable tenants. We will also trial a new approach to local engagement through the

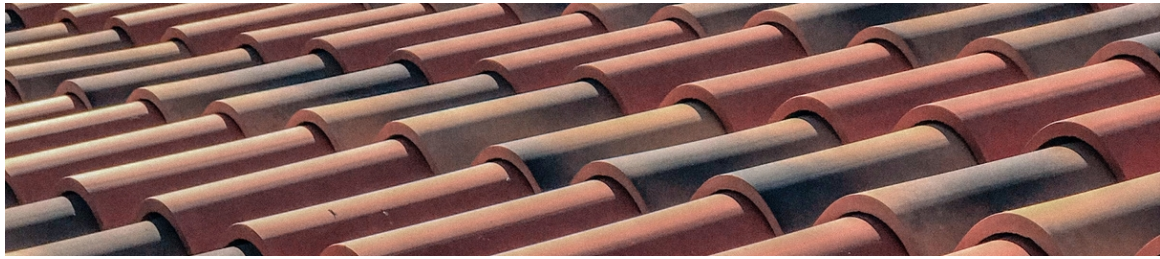


introduction of a Housing Advisory Panels (HAPs), with a pilot in the North East area. The HAPs will bring together groups of tenants, Councillors and Council Officers to discuss housing issues in the community and will also award grants to local projects benefitting local people.

### **We will prepare for increased regulation to meet the requirements of the new social housing regulatory framework**



Increased regulation means we need to ensure we are compliant and providing the best quality services we can to our tenants. The Regulator's new Consumer Standards came in to force in April 2024 and in preparation we have carried out a self-assessment against the new standards to help identify key areas that need developing and improving. We have also had an external review of the Housing Service, and we are using learning as a result of this to help us identify further opportunities for improvement. In response to the C3 judgement, we have been actively collaborating with the Regulator and have developed an improvement plan and series of improvement activities aimed at addressing the regulatory concerns. This includes reviewing our current strategies, policies and service action plans for working to the key regulatory requirements.



## 5 - 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 which involves maximising the performance of the building materials and components before anything else. This is 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 a local area-based investment approach to reflect local priorities that are important to residents and tenants by strengthening the communications and information sharing between us and Neighbourhood teams. Our Asset Management and Repairs teams work closely together to ensure alignment across capital and revenue investment by sharing data and intelligence gathered.

We have now commenced working in partnership with our external surveying contractor partners RLB and Savills to help us collate and update over 80% of our stock condition surveys. This includes energy performance assessments and Housing Health and Safety Rating (HHSRS) surveys. This information will be used to support our current investment priorities and planning assumptions, alongside data from our responsive repair activity, to help ensure that our investment plans remain up to date.

Progress will be captured as part of our evolving Asset Management Strategy. The Asset Management Strategy will need to consider the Government proposed review of the current Decent Homes Standards, alongside the Council's target for all council homes meeting EPC C ratings and working towards achieving the longer-term net zero carbon ambitions set by the Council.

Addressing Damp and Mould concerns continue to be a priority for the Council so that all tenants have safe and warm homes that are free from damp, mould, and condensation. In addition, work will be starting in 2025 to complete a series of council housing stock appraisals for estates which have the highest investment needs. This work will provide a series of options and recommendations in relation to this stock.

The tables in the Financial Appendix provide the financial details of the work currently planned for 2025/26 and the following 4 years. A brief description of the main elements of the planned programme is included below.

## Investment Area

## Progress so far and plans for the year ahead

### Roofs



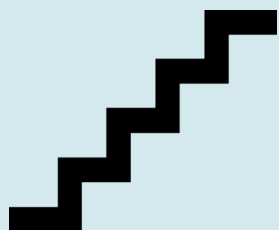
A new 5-year roofing contract is at pre-tender stage. The tender process is scheduled for quarter 4 of 2024/25 and contractor start on site is scheduled for quarter 1 of 2025/26 This programme will provide new roof coverings, fascias, and rainwater goods to around 5,000 homes. As part of this programme, it is proposed to install Solar Photo Voltaic (PV) (with Energy saving batteries where possible) on around 60 low rise blocks of flats and a number of houses and bungalows. The location and allocation of this work will depend on tendered prices, with works targeting the least efficient stock with the most fuel vulnerable households.

### Tower Block Roofing



The project is to replace / renew roof coverings to high rise tower blocks and is currently a live contract. The last remaining 4 blocks within this programme are anticipated to complete during quarter 2 of 2025/26.

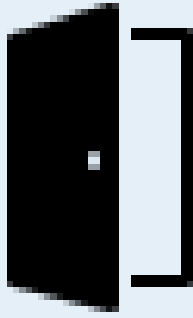
### Edward Street Flats: External Enveloping Refurbishment & Repairs



This project will target essential repair works needed at Edward Street flats in the city centre. This includes repair works to the roof, rainwater goods, concrete repairs to walkways, staircases, balustrades, in addition to the replacement of existing single glazed windows with new double-glazed window and new flat entrance doors. This project is anticipated to commence during quarter 1 of 2025/26 and complete during 2026.

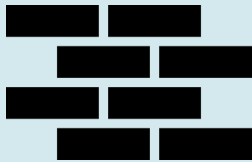
### Elemental Works & Improvements (Kitchens, Bathrooms, Windows & Doors)

A recently awarded contract aims to deliver elemental improvements to homes and is scheduled to run for up to 5 years. The project will deliver replacements to kitchens and bathrooms, including 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



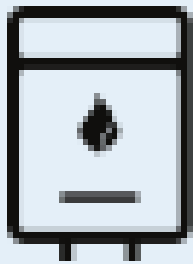
capacity for undertaking the same works to empty properties that also require major improvements meaning that over 3,000 properties will benefit from this programme.

### **Chesterfield Road & Orchard Lane: Major Repairs to Structural Retaining Walls**



This work comprises of necessary major repair works to external retaining walls to property boundaries at Chesterfield Road and Orchard Lane. The work is anticipated to start during quarter 1 of 2025/26 with an anticipated completion during quarter 3 of 2025/26.

### **Heating Replacement Programme**



We are currently scoping out programme options that will allow us to work towards upgrading our current gas fuelled boilers across our estates. This programme will also include the heating breakdown replacement programme which will replace an estimated 1,200 boilers within the next 2 years.

### **Energy Efficiency Work**



This programme will continue to deliver external wall insulation work to non-traditionally built properties. The project will also tackle structural repairs and provide much needed improved thermal insulation through the application of the external wall insulation systems and 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 2026.

### **Tower Block Fire Safety & Communal Area Work**

Work to improve fire safety and prevention at the remaining 20 tower blocks is scheduled to start during 2025. This project includes the installation of new fire safety doors to each flat within these blocks, fire suppression systems and the closure of refuse chutes as well as new waste management and recycling facilities. The



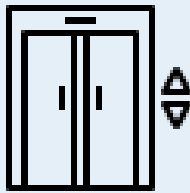
proposals also include the replacement of current lifts within the blocks.

### **Fire Safety Doors: Low Rise Flats & Maisonettes**



This project will deliver 1,200 new fire safe doors to flats and maisonettes across the city which have been identified through ongoing fire risk assessments and inspections. Work is anticipated to commence in quarter 1 of 2025/26 and will run for two years.

### **Passenger Lift Replacement**



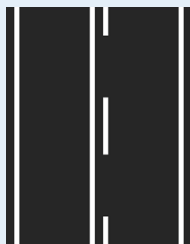
Work to upgrade passenger lifts to serve each floor and to be firefighting compliant will commence this year. This programme will target low rise blocks of flats.

### **Adaptations**



This project will deliver adaptations to around 600 properties. The work includes the installations of level access showers, ramps, stairlifts, floor lifts and various other property adaptations, following receiving referrals and recommendations to facilitate residents to continue to live in accessible homes. The project also includes provision for three planned adapted property extensions.

### **HRA Highways Resurfacing Works**



The proposal will facilitate the upgrade and resurfacing of priority (non-Private Finance Initiative) HRA highways identified by neighbourhood area teams where these have reached the end of their life cycle and are beyond economic repair.



## 6 - Stock Increase Programme

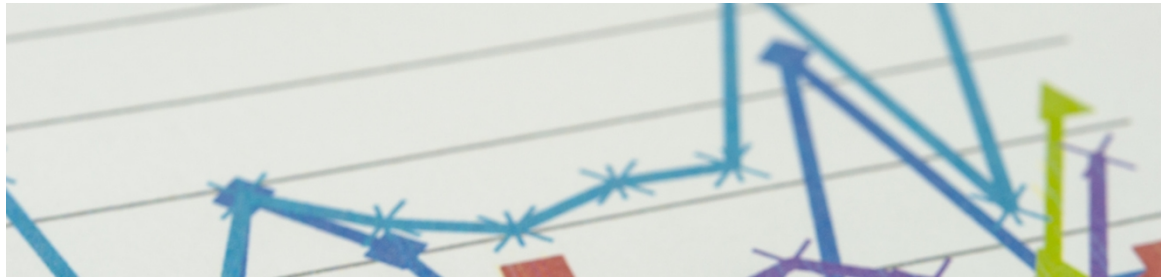
The HRA's Stock Increase Programme sets out our ambitions to build and acquire much needed new council housing. In recent years, factors including increased costs in construction materials and labour, inflation, land availability and associated costs have all had a significant impact on our original planning assumptions for the programme. This has meant we have had to review the plan and think more strategically about how we are able to continue to deliver the programme within existing budgets, alongside other HRA investment priorities.

The review of the HRA Business Plan for 2025/26 has maintained the remaining capital allocation to the Stock Increase Programme 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 construction costs and high site abnormal costs, unless additional external funding can be secured. This is a similar issue faced by 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 Stock Increase Programme does not satisfy the programme and/or tenure/type mix requirements. Some of these restrictions have been temporarily eased by Government until March 2026 and work is ongoing to understand how the programme can take advantage of these temporary measures.

The focus for the Stock Increase Programme to 2029 will continue to 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 is in line with the [Housing Growth Delivery Plan](#) that was approved at Strategy and Resources Committee in December 2024 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 Right to Buy receipts to maintain our programme of acquisitions, again to meet identified need.

Sheffield has a significant shortage of affordable housing to meet the unprecedented demand for social housing. This is placing increased pressure on housing provided by the Council and Registered Providers. 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 Right to Buy 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. The Council's new Housing Strategy sets out the housing need and affordable housing requirements for the city and any gaps in provision. The Housing Growth Delivery Plan, outlines how the Council intends to influence the new-build housing market to bring about the vision in the Housing Strategy, utilising the sites made available for housing purposes in the Sheffield Plan. This will inform future discussions with the Housing Policy and other Committees of our housing growth ambitions throughout 2025/26 to maximise the use of available funding alongside the HRA capital allocation.



## 7 - Commercial Resilience

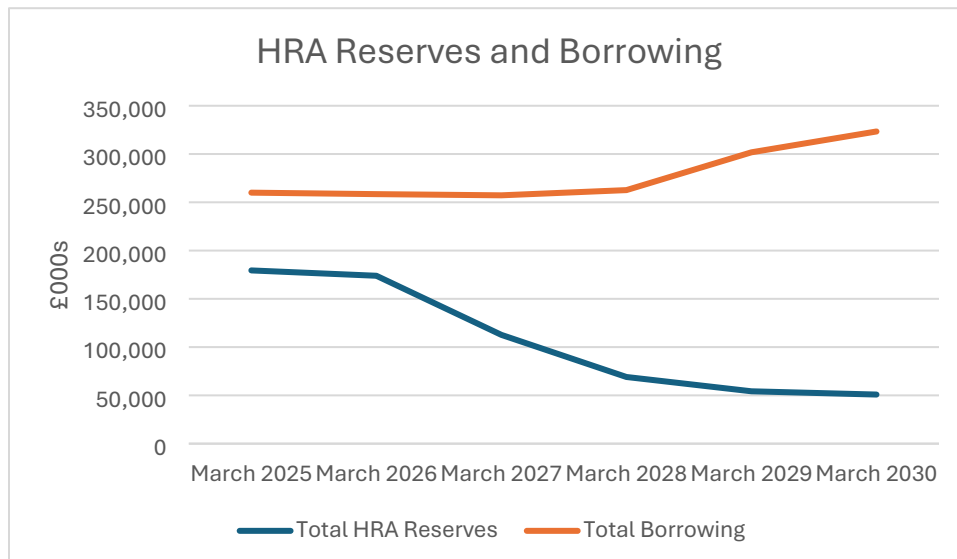
We must maintain a viable 30-year Business Plan to deliver our priorities and improve services to tenants. We do this by managing our rental income and operational expenses to reinvest in existing homes and neighbourhoods alongside the creation of new homes. This requires a rigorous approach to business 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 2025, will be to refresh archetype option appraisals of our council housing stock 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. 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 2027 before undertaking new borrowing for existing stock from 2027. After 2027, 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.





The Government recently announced significant changes to the Right to Buy scheme in the Autumn Budget. Whilst the full details of the government’s plans are still to be finalised and are pending a consultation exercise, we have modelled a best estimate of the impacts of this change. Sheffield City Council received around 2,000 applications by the November deadline, and we are prudently estimating that 40% of these will be taken up (approx. 800) during 2025/26 before the legislation changes.

This surge in sales will leave us with less homes in the short-term, but as we expect future rates of sales to drop it will leave us with more homes in the medium to longer term. We anticipate we will lose a total of 4,400 homes over the 30-year Business Plan. This compares to an assumption in last year’s plan of 6,320 Right to Buy sales. The cash flow and rental impacts of this have been built into the Business Plan.

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 Right to Buy sales.

Our current Stock Increase Programme to 2029/30 aims to increase our stock by approximately 827 homes. Reinvestment of our Right to Buy receipts back into new homes will increase our stock from 2030/31 to the end of the 30-year plan by a further 810 homes, creating a total of 1,637 additional homes by 2054/55. With stock increase and anticipated Right to Buy sales, we estimate that our total stock will be around 35,459 by 2054/55, compared to total stock of around 38,222 homes now. This is a significant reduction in social homes for the city which already has an affordable housing shortfall. 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.



## 8 - Risks

The HRA 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 a risk register and are primarily concerned with threats to income and expenditure that would compromise the viability of the HRA Business Plan. As well as drawing on the sector risk profile that is published annually by the Regulator, these risks are regularly reviewed and updated by both the Housing Leadership Team and Corporate Risk Management Group.

The key risks to the HRA Business Plan include:

- Regulatory changes to social housing
- Quality and use of robust data management
- Health & Safety/Fire Risks on Council Tower Blocks and Buildings
- Increase in Repairs Costs
- Future changes to the Decent Homes Standard
- An increase in Interest, Borrowing and Inflation Rates
- Journey to 'Net Zero'
- Impacts of any future Welfare Reform

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 £11.8m, a similar level is currently assumed for 2025/26. 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 reserve levels are adequate to cover future expected pressures in the medium term.

## 9 - Financial Appendices

### Key Financial Assumptions 2025/26

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 2024/25	38,222
Estimated number of additional homes by 2054/55	1,637
Estimated number of RTBs to 2054/55	4,400
Estimated number of homes by 2054/55	35,459
Average rent in 2025/26 (50-week rent)	£95.52
Consumer Price index (CPI) of inflation September 2024	1.7%
Void rate	2.0%
HRA risk-based reserve 2025/26	£11.8m

- **Rents**

We have assumed that rent will increase each year by the amount allowed by the current Rent Standard (i.e., September CPI + 1%). For 2025/26 it is therefore assumed as part of this report, all dwelling rents are increased by 2.7% from April 2025. A below Rent Standard increase would impact on the income throughout the 30-year Business Plan.

- **Garages**

It is assumed as part of this report, rents for garage plots and garage sites are increased by 2.7% from April 2025 in line with dwelling rent increases.

- **Other Charges**

It is assumed as part of this report, the burglar alarm charge, sheltered housing charge and furnished accommodation charge are increased from April 2025 by 1.7% in line with September 2024 inflation. There is no increase to the community heating charge planned at this time as there is a small surplus currently held on the account.

# HRA Revenue and Capital Budget

## Revenue Account

Revenue Account		
	2024.25	2024.25
	Outturn	Budget
<b>INCOME (in £millions)</b>		
Net income dwellings	173.8	173.2
Other income	8.9	7.9
<b>Total</b>	<b>182.7</b>	<b>181.1</b>

<b>EXPENDITURE (in £millions)</b>		
Repairs and Maintenance	62.2	55.5
Tenant Services	64.5	64.9
Interest on Borrowing	12.2	13.6
Contribution to Capital Programme	43.8	47.1
<b>Total</b>	<b>182.7</b>	<b>181.1</b>

Revenue Reserve		
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Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
2025.26	2026.27	2027.28	2028.29	2029.30	2025.30
Forecast	Forecast	Forecast	Forecast	Forecast	Total
179.9	185.0	191.7	198.0	204.2	958.8
6.7	6.9	7.0	7.2	7.3	35.2
<b>186.7</b>	<b>191.9</b>	<b>198.7</b>	<b>205.2</b>	<b>211.5</b>	<b>994.0</b>

63.3	65.2	66.6	68.5	70.6	334.3
68.9	64.3	65.7	67.2	68.7	328.9
13.5	13.4	13.5	14.3	15.5	70.2
40.9	48.9	52.9	55.2	56.7	260.6
<b>186.7</b>	<b>191.9</b>	<b>198.7</b>	<b>205.2</b>	<b>211.5</b>	<b>994.0</b>

11.8	11.8	11.8	11.8	11.8	
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## Capital Account

Capital Account		
	2024.25	2024.25
	Outturn	Budget
<b>EXPENDITURE (in £millions)</b>		
Mainline Capital Programme	20.1	33.8
Stock Increase Programme	27.5	31.5
<b>Total</b>	<b>47.6</b>	<b>65.3</b>

Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
2025.26	2026.27	2027.28	2028.29	2029.30	2025.30
Forecast	Forecast	Forecast	Forecast	Forecast	Total
46.7	65.6	68.8	72.1	85.5	338.7
66.7	67.5	56.5	55.2	11.6	257.5
<b>113.5</b>	<b>133.1</b>	<b>125.2</b>	<b>127.3</b>	<b>97.1</b>	<b>596.2</b>

## 5-year Capital Programme Investment

HRA Capital Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
	2025_6	2026_7	2027_8	2028_9	2029-30	2025_30
	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Total
<b>EXPENDITURE (in £millions)</b>						
Decarbonisation	3.08	3.18	3.28	3.39	5.82	<b>18.75</b>
Component Replacements	9.76	10.07	10.39	10.72	16.89	<b>57.83</b>
General Provisions	13.23	16.96	17.50	18.06	18.64	<b>84.38</b>
HME	8.79	9.07	9.36	9.66	9.97	<b>46.85</b>
Building Safety	10.83	17.81	18.38	18.96	22.57	<b>88.55</b>
Gleadless Valley	1.03	8.48	9.84	11.29	11.65	<b>42.29</b>
<b>Total Mainline Capital Programme</b>	<b>46.72</b>	<b>65.56</b>	<b>68.75</b>	<b>72.08</b>	<b>85.54</b>	<b>338.65</b>
Stock Increase Programme	66.75	67.54	56.46	55.23	11.55	<b>257.53</b>
<b>Total Capital Programme</b>	<b>113.46</b>	<b>133.10</b>	<b>125.22</b>	<b>127.31</b>	<b>97.10</b>	<b>596.19</b>

## Citywide Rents

Citywide average weekly rent by bed-size

Bed Size	Average Weekly Rent (50 Weeks)		Increase	Rate
	2024/25	2025/26		
Bedsit	£72.03	£73.98	£1.94	2.7%
1 Bed	£82.73	£84.97	£2.23	2.7%
2 Bed	£93.98	£96.52	£2.54	2.7%
3 Bed	£104.65	£107.47	£2.83	2.7%
4 Bed	£127.64	£131.09	£3.45	2.7%
5 Bed	£131.91	£135.47	£3.56	2.7%
6 Bed	£129.28	£132.77	£3.49	2.7%
<b>Total (all bedroom's average)</b>	<b>£93.01</b>	<b>£95.52</b>	<b>£2.51</b>	