

HOUSING AND WELLBEING COMMITTEE

4 February 2025 at 6.00 pm

Present: Councillors Birch (Chair), Butcher (Vice-Chair), Batley, Bicknell, Mrs Cooper, Haywood, Long, Pendleton, Wiltshire and Yeates

Councillor Mr Cooper was also in attendance for all or part of the meeting.

Apologies: Councillors English

498. APOLOGIES

Apologies for absence were received from Councillor English.

499. DECLARATIONS OF INTEREST

Councillor Cooper declared a personal interest in respect of 10 item as a member of West Sussex County Council and advised that she would abstain from voting.

500. MINUTES

The minutes of the Housing and Wellbeing Committee held on 17 December 2024 were approved and signed by the Chair.

501. ITEMS NOT ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

There were no urgent items.

502. PUBLIC QUESTION TIME

The Chair invited questions from a member of the public who had submitted their questions in advance of the meeting in accordance with the rules of the Council's Constitution.

The Chair confirmed that seven questions had been submitted from Mrs Butters and these were read out by the questioner and responded to by the Chair.

*(A schedule of full questions asked, and the responses provided can be found on the meetings webpage [here](#)).*

### 503. LEISURE CONTRACT PERFORMANCE REPORT

The Chair invited the Leisure and Wellbeing Manager to present the report that provided members with an overview of Freedom Leisure's trading and performance from October 2023 to September 2024. He reminded members that this Committee had agreed a five-year extension of the Council's Leisure Operating Contract with Freedom Leisure, until 31 March 2032, at its meeting on 21 November 2024. The contract was managed by regular monitoring visits, formal monthly partnership meetings and quarterly strategic meetings. He drew attention to paragraph 4.7 of the report and the combined increase in visitors to both the Arun Leisure Centre and Littlehampton Wave of 6.28% compared to the previous reporting year. He provided details of the steps taken by Freedom Leisure to increase participating and advised that they regularly reviewed their group exercise, swim and junior programmes. During this period there had been investment and several improvements to the leisure facilities had taken place. He provided details of the works that had been carried out to the Windmill Entertainment Centre following the Harvester fire during 2023 and reminded the Committee of the member tour to appraise them of the upgrades. The reduction of Carbon emissions had continued and following the success of the swimming pool support fund application for 97 photovoltaic solar panels on the Littlehampton Wave roof and the implementation of destratification fans. After a 12-month period following the solar installation at the Arun Leisure Centre an estimated carbon saving of 19.4 tonnes and a 15% greater than the expected capacity.

The Leisure and Wellbeing Manager then introduced Ricky Trainor (Area Manager), Matt Wickham (Chief Operating Officer), and Charlotte Simpson (Healthy Communities Manager) in attendance from Freedom Leisure who gave a detailed presentation on the Freedom Leisure October 2023 to September 2024 12-month report and the Healthy Communities update to members.

Ricky Trainer, Area Manager, provided a presentation on the Freedom Leisure October 2023 to September 2024 12-month report that covered the following topics:

- Introduction
- An introduction to the UK's second largest genuine charitable leisure trust
- Area Insight
- Participation
- Energy & Environmental
- Investments
- Finance Summary
- Feedback
- Testimonials
- Marketing
- Social Media Coverage
- Arun Area Team
- Our Year in Numbers

Charlotte Simpson, Healthy Communities Manager provided a presentation on Arun Healthy Communities October 2023 to September 2024 that covered the following topics:

- What is Healthy Communities and What do we do?
- Healthy Communities (For Families and Young People/Women & Girls and Ageing Well/Affordability & Accessibility/ New 2025 Projects)
- New 2025 Projects
- Healthy Communities in Pictures!
- It's a Team Effort!
- Testimonials - It's a Team Effort!
- Case Studies

During the presentation an invitation was extended to members to visit the Leisure facilities to the day-to-day operation.

The Chair then invited questions and comments from members:

- A request was made that in future the reporting information was circulated to members earlier in future.
- A query was raised concerning what seemed to be a drop in attendance at Bersted Park. It was advised that attendance fluctuated throughout the year. Referring to the participation table at page 5 it was explained that separate columns were included to show both the financial year and Freedom Leisure's reporting year from 1 October to 30 September required by the Council. The difference was due to Freedom Leisure's reporting year including the winter period where it was known there was less attendance during this time. However, attendance figures were increasing with this January receiving its highest participation. This anomaly resulted from the previous report covering an 18-month period. The Environmental Services and Strategy advised that the next report would be reported to this Committee during June 2026, with Freedom Leisure's reporting year reverting back to the financial year.
- It was explained that the drop in attendance for the learn to swim members was due to pool closures over the past year because of boiler issues, which had been resolved following replacement boilers. Freedom Leisure continually worked with local schools to improve participation.
- Congratulations were given to Freedom Leisure on receiving Bronze Carbon Literacy accreditation. It was explained that for Freedom Leisure to receive the Silver accreditation, 20% of staff would be required to be qualified and were working to do so.
- An update on the corrosion in the cubicles and poor-quality workmanship was requested. Leisure and Wellbeing Manager advised that this was being investigated by the Council's Property and Estates Team who were in discussions with the contractor to reach a resolution. He undertook to provide an update to Councillor Bicknell in due course.
- Freedom Leisure advised that they submitted their audited accounts to the Council on a quarterly basis for monitoring via the Council's online client monitoring platform, which was an officer function.

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- In response to a question regarding the children's Talented Athletic Programme, Freedom Leisure advised that a number of children were competing nationally as well as internationally and would provide details of the number outside of the meeting.
- A comment was made that it was pleasing to see the re-launch of the Friday Night Project following the previous instances of disruption.
- Could the Active Play 'Out and About' session and the partnership Littlehampton Community Fridge at the Wave be replicated at the Arun Leisure Centre? It was advised that it was more difficult to provide the same provisions at the Arun Leisure Centre as it was a dual use site with Felpham School.
- Referring to the Women & Girls and Ageing Well groups, could this be more inclusive, for instance to include men who did not feel they met the stereotype? It was explained that Freedom Leisure worked closely with Active Sussex for which women and girls formed one of their targets. It was acknowledged that for men participation could too be overwhelming. The point raised would be brought to the next meeting this Thursday.
- In response to a question concerning how to involve the hardest to reach most vulnerable children, details were provided of the work being undertaken with local head teachers, which included work with Cornfield School, Littlehampton.
- Responding to a question of how Arun Leisure Centre's financial position could be improved, this could in part be due to the introduction of the Wave which continually out performed expectations. There was still more work to be done with plans in place to drive performance forward, which would include new equipment to revitalise the gym and a replacement pitch.
- A member reported feedback received from parents attending the Fun Day sessions who would prefer the sessions to last 2.5 hours instead of just 2 hours, so that attendees could get the best out of the sessions. Freedom Leisure would increase the length if funding allowed.
- The heading SAPD would be changed to Healthy Communities on page 10 of appendix in the next report.

Members thanked the Freedom Leisure representatives for their report and for the good work that they were doing.

The Chair thanked the Freedom Leisure representatives for their interesting annual report.

#### 504. HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE

The Chair welcomed Mr Glenn Smith, Director at Housing finance Associates and invited the Group Head of Housing, Wellbeing and Communities to present his report. He advised members that the Housing Revenue Account Business Plan (HRABP) update had previously been refreshed during January 2023. He drew attention to a new figure against peak debt levels. The previous HRABP had contained limited investment for major works and decarbonisation. Since then representative levels have been included of £50k per property for works and 25k per property for decarbonisation works. This money had been included as a direct result of actions taken by officers to

prioritise restoring the HRA to a sustainable financial position and to avoid the real threat of it falling into a financial deficit position. It was noted that all Councils managing a housing stock were experiencing the same financial issues as a result of additional regulatory burdens. Since the Covid 19 pandemic, the Council had faced increases in building costs and interest rates, as well as the positive impact of the extended Housing Rent Settlement received now built into the Plan.

He advised that a number of assumptions had been made in drafting the Plan, set out in paragraph 4.1. The Baseline Revenue forecast at paragraph 4.2 showed the HRA balance levels returning to minimum levels during 2026-2027. Whereas the previous reiteration showed balances below the minimum level for seven years to 2030-2031. This was mainly due to actions taken since January 2024, in particular the insourcing of the housing repair service, service charge de-pooling to increase revenue, as well as a programme of savings and efficiencies on Supervision and Management at 2% per year over the next five years. The Baseline Capital programme at paragraph 4.3 will be subject to change as viable schemes were brought forward. The Baseline Capital financing at paragraph 4.4, showed that borrowing will increase during 2028 and 2029 based on current assumptions and could change considerably once the stock condition survey data analysis had been completed. He referred to the actions taken during this year to deliver a net surplus, combined with the five-year rent settlement and the medium-term cost reduction programme, would result in a drop in interest cover below the minimum indicator during 2044-2045. It was therefore assumed that borrowing was broadly affordable until 2050. It was critical that officers continued to take action to improve operating margins by reducing costs and maximising revenue.

Whilst there was still some way to go to improve the HRA, which had been systematically reduced over the previous three years, he considered that the HRABP refresh was a positive step. Increased investment had been built in at representative levels because of the actions taken. The savings built over the next five years and the savings from the insourcing of the repairs service would need to be banked. The HRABP would require a refresh on a 6-monthly basis, returning to annual reporting to this Committee.

Mr Glenn Smith from Housing Finance Associates Ltd was invited to address the Committee who then talked members through the graphs set out in the report.

The Chair invited members to make comment or ask any questions, which were responded to by officers:

- Clarification was sought concerning paragraph 4.7.3 of the Baseline summary and the disposal of assets. Mr Glenn Smith explained that the Capital budget was not ringfenced and so technically the Council could use its capital receipts to dispose of a corporate asset and use that capital receipt to partly pay into the HRA capital programme or to repay HRA debt. The Group Head of Finance and Section 151 Officer added that currently the Council did not have many capital receipts and did have a growing capital programme. However, the Asset Review Programme Board could identify further sources of capital receipts but there was a need to be careful about over utilising it.

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- Further information was requested regarding the Interest Cover ratio graph on page 20 and the peak during 2030. It was explained that the modelling allowed for rent increases in line with the CPI index plus 1% until 2033-2031. The modelling showed that from that point onwards rents would increase in line with CPI only and that in later years costs would increase faster than rental income.
- It was suggested that if the Council brought its own stock at an interest only rate this would be cheaper than putting residents in bed and breakfast accommodation. A number of developers were finding it difficult to find a social housing association to take on their social housing, which could have an effect on the future numbers being built and was this something that the Council had considered taking on instead? The Group Head of Housing, Wellbeing and Communities undertook to respond outside of the meeting but provided assurance that officers were doing everything they could to increase the housing stock to reduce the burden of nightly paid accommodation and advised that there were plans in place to take this matter forward.
- Although it was understood why there was borrowing against the HRA it was a concern. A suggestion was made that any variations to those currently planned should be brought to this Committee for consideration. It was advised that the previous HRABP had not included much investment in the stock necessitated by the circumstances the HRA found itself in at the time. The work carried out to bring the HRA's balance back into the required minimum levels meant that there were a number of options to do this. The assumptions in the HRABP options would change over a period of time and the capital projects would come forward for consideration by the Committee. Whilst he understood the concerns raised about borrowing, he urged members to look at the imperatives concerning asset investment in maintaining the value of the stock.
- The Group Head of Finance and Section 151 Officer referred to the graph at paragraph 4.6.1 should provide some assurance to members that the Council had very good cover for interest payments. It should be noted that the report makes no investment or borrowing decisions. A safeguard was in place to address the concerns surrounding borrowing.
- With regards to Decarbonisation projects and recent speculation of a slow down on the national and international slowdown of the programme, have officers considered revising the Council's own programme? The outcome of the Warm Homes funding bid was awaited with the intention being to continue to run the programme for the next three financial years in accordance with the programme submitted as part of the bid. The Committee would continue to receive updates on progress.
- An update on the timescale for the outcome of the housing stock condition survey and how would be communicated to the Committee was requested. It was advised that the data would be analysed and a one-year programme of work would be produced, aligned to the 2025-2026 budget. By September 2025 an Asset Development strategy would be developed with a five-year programme for consideration by the Committee.

- A member congratulated officers on the improvements to the Housing Service concerning improvements to the quality of service and response rates following resident feedback. The Group Head of Housing, Wellbeing and Communities undertook to pass on the members comments to the officers involved.
- A comment was made that in terms of accountability a period of one-year was too long for the HRABP to come back to the Committee. In terms of ultimate accountability of the HRA, this sat with Full Council. The individual work undertaken by the Housing Service was the responsibility of this Committee. He explained the reason that the Committee did not receive a report during 2024, was that having recently taken up his position at that time he was not able to bring a credible report to this Committee at that time. However, since January 2024 he had worked with the Finance Service to develop service and financial initiatives as well as working with Mr Glenn Smith to work through and model the forecasts. If members were to have credible updates and genuine influence and accountability then an annual report was the best way forward. A member having had assurances before hoped they would be more fruitful this time.
- The Group Head of Housing, Wellbeing and Communities responded to a question concerning the Government's plans for local government reorganisation. The most significant impact if the Council formed a Unitary with another Council with its own HRA was that the Unitary could only run one HRA account.
- In response to question concerning Sheltered Housing, the Group Head of Housing, Wellbeing and Communities advised this was a separate piece of work with capital expenditure programmed over the next two-years that would not start until a report is brought the Committee with a scheme.
- The Group Head of Finance and Section 151 Officer responding to a question advised that The borrowing limits formed part of the Treasury Management Strategy report, which was due to be considered by the Audit and Governance Committee on 24 February 2025.

The Committee noted the report.

#### 505. COMMITTEE GENERAL FUND REVENUE AND CAPITAL BUDGETS 2025/26

The Group Head of Finance and Section 151 Officer was invited by the Chair to present the report, which asked the Committee to consider and recommend its revenue and capital budgets for inclusion in the Council's 2025/26 budget. The agreed budgets will then form part of the overall revenue and capital budgets for 2025/26 to be considered at the Policy and Finance Committee on 13 February 2025, so that recommendations can be made to Full Council on 26 February 2025 regarding the budgets to be set and level of Council Tax for the District for 2025/26. The table at paragraph 4.4 set out the proposed changes and showed a net revenue budget reduction for 2025/26 of £216k compared to the previous year. Referring to the Increase in Homelessness/Temporary Accommodation Expenditure, it was estimated that a further £643k would be required to deal with the increase in homelessness, which

followed significant increases in previous years. However, the Council has seen a significant increase in the Homelessness Prevention Grant funding for 2025/26 and as a result will receive an additional £812k compared to 2024/25. This followed the announcement of a further £660k funding as part of the Local Government Finance Settlement announced on 3 February 2025, which was welcomed. He also referred to the explanatory information at paragraph 4.7 concerning the Supported Housing Accommodation costs and advised that members may recall the increase in the 2024/25 base budget by £500k the previous year following a sharp increase in spending. Whilst the proposed increase for 2025/26 was much lower, at £70k, there remained a level of concern about costs increases.

The recommendations were proposed by Councillor Butcher and seconded by Councillor Batley.

The Chair invited members to make comment or ask any questions. In response to a question concerning the increase in Leisure Management fee income at paragraph 4.4, the Group Head of Finance and Section 151 Officer advised he would provide details of the total fee received outside of the meeting.

The Committee

RESOLVED

(a) To agree the 2025/26 Revenue Budget as set out in Appendix A; and

RECOMMENDS TO POLICY AND FINANCE COMMITTEE THAT

(b) that the Revenue and Capital Budgets for this Committee be included in the Council's overall 2025/26 Revenue Budget.

#### 506. HOUSING REVENUE ACCOUNT BUDGETS 2025/26

The Group Head of Finance and Section 151 Officer was invited by the Chair to present the report, which set out the 2025/26 Housing Revenue Account (HRA) revenue and capital budgets for inclusion in the Council's 2025/26 budget and rents and service charges for 2025/26. The agreed budgets will be recommended for submission to the Policy and Finance Committee on 13 February 2025 so recommendations can be made to Full Council on 26 February 2025.

He explained that all housing and garage rents, and existing service charges were proposed to be increased by 2.7%, the maximum amount that the Housing Regulator would allow, and consisted of a CPI increase of 1.7% plus an additional 1% on top. Members were also asked to approve the implementation of the new service charges. He explained that whilst he understood that members may not wish to increase tenants' rents in light of the cost-of-living crisis, he pointed out the impact on the HRA's financial position following Government imposed rent freezes between 2016 and 2020. Had the Council been able to increase its rents by 1% per annum during those years that would have made a significant impact to the HRA reserve balance of



about £1.4m. If members chose to freeze rents there would not be an opportunity to recover from the loss of income in future years and members were urged to accept the recommendations in the report. The HRA budget proposed a surplus of approximately £660k during 2025/26 taking the HRA balance to £1.5m, which was still below the £2m minimum balance. Referring to Movements at paragraph 4.2 there had been some realignment between the Service and Management costs and the Repairs and Maintenance costs, largely driven by the insourcing of the Repairs and Maintenance contract

Moving to the Capital budget, one of the recommendations was to re-provision the amount of money in the Housing Improvement Works budget. This would be dealt with when the outcome of the Warm Homes Social Housing funding bid was considered by the Committee and the required adjustments to the budget made at that time.

The recommendations were proposed by Councillor Butcher and seconded by Councillor Wiltshire.

The Chair invited questions and comments from members. A member asked if the computer software and licences budget of £134k, which seemed high, were reoccurring costs. The Group Head of Housing, Wellbeing and Communities advised he would provide an answer outside of the meeting to the Committee. In response to a question concerning the introduction of de-pooling charges, he explained that it was expected that 74% of tenants would not be impacted by the increase in charges as the full cost would be met through Housing Benefit and Universal Credit. In terms of affordability, a cap of £10 had been applied to the weekly service charge and 10 % of the total service charge revenue will be set aside for a hardship fund for individual cases. This did not apply to garage rents, as they did not have any utilities. The Group Head of Finance and Section 151 Officer clarified that the 2023-2024 rent increase was 7.7%.

#### The Committee

RECOMMENDS TO THE POLICY AND FINANCE COMMITTEE for inclusion in the overall Budget report on 13 February 2025:

- (a) the 2025/26 HRA Revenue Budget set out in Appendix A;
- (b) that HRA rents for 2025/26 are increased by 2.7%, to an average rent of £115.64 per week in accordance with the Regulator of Social Housing guidance (Rent Standard 2020 and Limit on annual rent increases 2025-26 publications);
- (c) that HRA garage rents are increased by 2.7% to an average rent of £16.04 per week (excluding VAT);
- (d) that existing HRA sheltered service charges for communal heating, lighting and water/sewerage charges be increased by 2.7% plus additional increases on a scheme-by-scheme basis to cover

retrospective increases in utility costs, with the aim of balancing costs with income;

- (e) that new communal service charges are introduced from 1 April 2025 as agreed in the Service Charge Policy and De-pooling of Charges report to Housing and Wellbeing Committee on the 18 June 2024. The new de-pooled charges will include grounds maintenance, communal cleaning, window cleaning, door entry systems, fire alarm systems maintenance, lift maintenance, TV aerials, and emergency lighting tests; and
- (f) the 2025/26 HRA Capital Programme set out in Appendix B, including the reprovisioning of £2.2m of the HRA Housing improvement works to the Warm Homes programme should the 2025/26 bid for the Warm Homes Grant (Social Housing Funding Phase 3) be successful.
- (g) and notes that the HRA 2025/26 Budget will provide a surplus of £0.66m which will increase HRA balances to £1.55m bringing them closer to the Council's set minimum level of HRA balances of £2 million.

507. COUNCIL TAX REDUCTION SCHEME 2025/26

*[Councillor Cooper declared a personal interest in this item as a member of West Sussex County Council and advised that she would abstain from voting]*

The Chair invited the Group Head of Finance and Section 151 Officer to introduce the report, which sought an increase in the Local Council Tax Reduction Scheme 2025-26 banding widths of 1.7%, in line with inflation based on the September 2024 rate of CPI, set out at paragraph 4.4. The Council currently had approximately 4,400 households claiming under the Scheme, similar to the previous year. The cost to provide the Scheme was around £44k per year with £4k of the cost being borne by the Council. Officers were not recommending an option not to increase the banding widths, as this could cause financial hardship to residents. It would not be possible to pursue a further increase at this time as a wider consultation would be required with preceptors, namely West Sussex County Council.

The recommendations were proposed by Councillor Yeates and seconded by Councillor Butcher.

The Chair then invited questions and comments from members. Comment was made surrounding the financial difficulties experienced by some residents. The Group Head of Finance and Section 151 Officer confirmed that the hardship fund was fully utilised. In response to a suggestion asking if the increase could be increased by a similar amount to the previous year of 6.7%, he explained that this was not possible without undertaking a wider consultation and it should be noted that the higher the increase the more the Council's own costs would increase. However, consideration

could be given to a higher increase for the following year if members wishes to pursue that route.

The Committee

RESOLVED to

Approve the increase in the income banding widths (option 2, paragraph 6.2) of the Local Council Tax Reduction Scheme with effect from 1 April 2025.

508. Q3 PERFORMANCE REPORT FOR THE KEY PERFORMANCE INDICATORS (KPI'S) WHICH FORM PART OF THE COUNCIL'S VISION 2022-2026

The Group Head of Housing, Wellbeing and Communities was invited to introduce the report updating the Committee with the Quarter 3 Performance Outturn all Key Performance Indicators (KPIs) that included in the Council's Corporate Plan for the period 1 April 2024 to 31 December 2024. He outlined the report that requested the Committee to note the content and provide comments to the Policy and Finance Committee in respect of the nine targets relevant to this Committee. He advised that of these targets, one CP21-percentage of non-emergency repairs completed within 20 working days was not meeting its target and further validation work was required. Referring to the commentary he apologised that he was not able to provide an update on the verification of the data at tonight's meeting and undertook to provide an update to members outside of the meeting.

The Chair invited members to make comments or ask any questions. A question was asked concerning CP4: Sickness absence and the impact rising sickness levels had on the other KPI targets. The Group Head of Housing, Wellbeing and Communities advised that the report now included targets for all Service committees and that this target was outside this Committee's remit as it related to the Corporate Support Committee. However, as far as sickness within the Housing Service was concerned and its impact on CP1: %of Stage 2 complaint responses responded to in time and CP2: %of Stage 1 complaint responses responded to within 10 working days, antidotally the Service was currently experiencing a high number of short term and long term sickness, which had a long term effect and was being mitigated. He would include information on Housing staff sickness levels in the Housing Performance report to the next Committee meeting.

In response to a question concerning CP 19: Number of Housing Register application activated 'live' within 15 days upon verification of all documents, he undertook to provide an update of the live figure outside of the meeting. He referred to the commentary stating that this target was unreportable and advised that officers would look at providing a more useful indicator and will bring forward a suggestion in the Housing Performance report to the next Committee meeting.

The Committee noted the report.

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509. OUTSIDE BODIES

The Committee received the following feedback reports:

- West Sussex County Council Health and Adult Social Care Committee provided by Councillor Long.
- Sussex Police and Crime Panel provided by Councillor Birch.
- Local Community Network provided by Councillor Birch.

510. WORK PROGRAMME

The Committee noted the Work Programme for the remainder of 2024-2025.

(The meeting concluded at 8.38 pm)