

# **REGENERATION IN CHELTENHAM:**

## **Final report of the single company feasibility working group**

### **CONTENTS;**

#### **Part A – INTRODUCTION**

1. Summary
2. The Five Companies Involved
3. SRCF Working Group Membership
4. Background and reason for appointment of consultant
5. Summary of Process
6. Consultant's findings and recommendations
7. Responses of the five companies.

#### **Part B – COLLABORATIVE OPPORTUNITIES FOR THE FIVE COMPANIES**

1. Governance
2. Fundraising
3. Efficiency Savings
4. Service delivery and sharing of best practice
5. Facilities management
6. Procurement
7. Communications and marketing
8. Community engagement and involvement
9. Personnel management (staff, volunteers, boards)
10. Volunteering
11. Accountability (up and down)
12. Action summary

#### **PART C – PLANNING FOR THE FUTURE**

1. Role of the feasibility group
2. Role of stronger and sustainable communities' partnership

#### **PART D - CONCLUSION**

# Part A - Introduction

## A1 SUMMARY

The process to explore the feasibility of combining five area based regeneration companies into one Cheltenham wide company began in January 2006. By setting up a working group comprised of representation from all five companies it ensured that all five companies were fully engaged at all times and were able to take ownership of the process. By also involving a wide range of stakeholders in reporting and consultation the interests of Cheltenham and its communities were safeguarded.

Although steered and managed by the feasibility working group there was a need to bring in external consultants both to increase the capacity to complete the process and to enable an independent overview of the process.

Following over twelve months of feasibility exercises, consultation and discussion the five company boards voted on their preference on four different options for the future ranging from status quo to full merger. The majority of companies voted for the status quo.

This does not mean, however, that the five companies intend to ignore the feasibility process and go their separate ways. All five companies have agreed that the process was useful and that there would be benefits for them working closer together across a range of collaborative opportunities to enable efficiencies and financial benefits.

The following report outlines the feasibility process, the five company responses and the actions that they have collectively agreed to follow.

## A2 THE FIVE COMPANIES INVOLVED

Hesters Way Neighbourhood Project  
Whaddon Lynworth and Priors Neighbourhood Project  
Hesters Way Partnership  
Cheltenham West End Partnership  
Oakley Regeneration Partnership

## A3 SRCF WORKING GROUP MEMBERSHIP

Andy Hayes	Hesters Way Partnership
Elaine Marriott	Hesters Way Neighbourhood Project
Stuart Hobbs	Cheltenham West End Partnership
Maddy Clayton	Oakley Regeneration Partnership
Claude Bullingham	deputised for Maddy Clayton
Lorna Steers	Whaddon Lynworth and Priors Neighbourhood Project
Kevin Potts	replaced Lorna Steers
Peter Woolley	Cheltenham Borough Council
Richard Gibson	CSP & CBC
Bernice Thomson	Regeneration Partnership (Cheltenham)

## **A4 BACKGROUND AND REASON FOR APPOINTMENT OF CONSULTANT**

In January 2006, the two neighbourhood projects were informed that one of their significant funders would be reducing the amount of funding available to them. At this time, they were also aware that other time limited project funding would cease in 2007. This began to expose some of the financial frailties of our voluntary/community sector partners engaged in community regeneration activities. Although the current set-up of three community partnership companies and two neighbourhood projects had worked well the financial demands for supporting the five limited companies was seen as drawing money away from frontline service delivery. In addition, there were also significant capacity issues for the public sector partners if effective representation was to be achieved.

Recognising these challenges the Regeneration Partnership (Cheltenham) secured a mandate from regeneration partners to explore the feasibility of creating a single company.

A Single Regeneration Company Feasibility (SRCF) Working Group was set up following a proposal made to a regeneration stakeholder event held at Gardners Lane School on 2<sup>nd</sup> March 2006. At the meeting there was a consensus in favour of assessing the feasibility of a single regeneration company for Cheltenham. All five boards of the existing regeneration companies were asked to vote on the following resolution:

“This Board of Directors of *(insert company name)* agrees to pursue the principle of the development of a single regeneration company for Cheltenham.”

All five boards voted in favour of this resolution. At the same time the five companies were asked to nominate representatives to sit on the SRCF Working Group to join three non company representatives nominated at the stakeholder meeting.

It was agreed that the purpose of the SRCF working group would be as follows:

“To establish how a single regeneration company for Cheltenham might operate within a framework defined by all five companies objectives and concerns and the interests of local communities.”

It was also agreed that the SRCF working group would report its activities to the five companies and other stakeholders by producing monthly bulletins; reporting to the three area regeneration partnerships at each of their meetings and by hosting stakeholder events. The group has also provided reports to the CBC Social and Community Overview and Scrutiny Group and the CBC Single Regeneration Company Working Group.

The SRCF working group concentrated on two main areas of work:

1. Researching regeneration companies across the rest of the UK to discover if anything similar had been tried elsewhere.
2. Carrying out an audit of the five companies to measure their resources and assets including a SWOT analysis of community regeneration in Cheltenham.

As a consequence of the research and audit results the SRCF working group developed four options for how the five companies could operate in the future. The group carried out initial work on option appraisals and recommended to the stakeholders that consultants should be brought in to carry out more detailed work on the options.

In December 2006 WM Enterprise (Consultants) were appointed. In February 2007 the consultants reported their findings and recommendations at two meetings firstly to the directors/ trustees of the five companies and then to a wider stakeholder group.

Following this, during March 2007, each company made a decision on their preferred option.

The following chart shows a summary of the feasibility process.

## A5 SUMMARY OF PROCESS

DATE	ACTIVITY	COMMENT
2 <sup>nd</sup> March 2006	Initial stakeholder event	Agreed to a feasibility process and to set up a working group to carry out the work.
24 <sup>th</sup> April 2006	First meeting of Feasibility Group	Facilitated by Chris Hickey. Further meetings of the Feasibility Group to be held on the first Friday of each month.
24 <sup>th</sup> April 2006	Research Group set up	
24 <sup>th</sup> April 2006	Audit Group set up	
21 <sup>st</sup> July 2006	SWOT workshop for stakeholders	Workshop held under the title of Communication and Cooperation.
12 <sup>th</sup> October 2006	Stakeholder event	Feasibility group presented four options. Agreed to engage an independent consultant to further the feasibility process.
18 <sup>th</sup> December 2006	Consultant started contract	
1 <sup>st</sup> February 2007	Consultant report to directors of the five companies	
8 <sup>th</sup> February 2007	Consultant's presents report to stakeholders.	
8 <sup>th</sup> March 2007	Decisions from each of the five companies on their preferred options.	
9 <sup>th</sup> March 2007	Meeting of the Feasibility Working Group	At this meeting it was agreed that a full report should be written including an evaluation of the process by the group and by the consultant. Also agreed that the group would continue to meet in order to take forward suggestions from the five companies and the stakeholders.

Details of the process are on file in the offices of the Regeneration Partnership (Cheltenham). These can be viewed on request.

The detailed record shows for each step of the process:

- Purpose of the event or group.
- Who was involved, including attendances at events.
- Outcomes
- Actions

## **A6 CONSULTANT'S FINDINGS/RECOMMENDATIONS**

The remit set for the feasibility study included examining the following options;

**Option 1 – Status Quo** – this option was based on all the five companies continuing to operate as they do now. This option would also serve as the baseline by which financial, strategic, and economy of scale comparisons could be made with the options below.

**Option 2 – Umbrella-** This option was similar to option 1 in so far as it did not reduce the number of existing companies but hived off certain of their administrative functions. At the heart of this option was the incorporation of the existing Cheltenham Regeneration Partnership into a new Cheltenham-wide company which would provide support services, including: accountancy; legal; HR and fundraising, to all 5 companies.

**Option 3 – Part combination** - This option assumed that the three area partnerships would agree to join a single company with a strategic remit for the regeneration areas of Cheltenham as a whole but that the two neighbourhood projects would remain as service deliverers for their respective geographical areas.

**Option 4 – Full combination** – This option would involve a full merger including the three area based partnerships and the two neighbourhood projects. This central company would provide a borough wide focus on regeneration, although concentrating on the town's most deprived neighbourhoods.

For each of these options the consultants provided an appraisal under the following headings:

- Incentives to change
- Stakeholder views
- Financial analysis
- Impact on the affected organisations

Detailed option appraisals are on file at the offices of the Regeneration Partnership (Cheltenham) and can be viewed on request.

The following is the conclusion to the consultant's final report and is shown here in full:

### **Conclusion**

*Our continued communication on the appraisal to all key stakeholders and based on our feasibility study was geared towards recommending option 4. We did so on the basis that securing the regeneration of Cheltenham's most deprived neighbourhoods required the active input of the neighbourhood projects. We concluded that this input was in jeopardy not simply as a consequence of the financial situation that the two neighbourhood projects were faced with but also as a consequence of the remedial action that they would need to take to rectify their finances. We were of the opinion that simply having a neighbourhood project did not entail that one was engaging in neighbourhood renewal. Neighbourhood Renewal requires that locally based projects need to be active, sustainable and in a relatively healthy financial position.*

*However we also recognised that nationally, very few organisations that consider full merger actually go ahead with it. What occurred in Cheltenham occurs nationally.*

*We consider it prudent to note that it in the end, and in subsequent feedback received, there was a general will for greater partnership working and collaboration from the five companies. We think that securing this desire should become a key focus of attention. However it should not disguise the fact that two of the five companies are in difficult financial situation and will continue to require financial support.*

## **A7 RESPONSES OF THE FIVE COMPANIES.**

Following individual votes by all five company boards of directors the following decisions were made.

- |   |                                    |
|---|------------------------------------|
| • Oakley Regeneration Partnership                   | <b>Option 4 – Full combination</b> |
| • Whaddon Lynworth and Priors Neighbourhood Project | <b>Option 4 – Full combination</b> |
| • Hesters Way Partnership                           | <b>Option 1 – Status Quo</b>       |
| • Hesters Way Neighbourhood Project                 | <b>Option 1 – Status Quo</b>       |
| • Cheltenham West End Partnership                   | <b>Option 1 – Status Quo</b>       |

## **VIEWPOINTS OF THE FIVE COMPANIES**

### Oakley Regeneration Partnership

The ORP Directors welcomed from the outset the Options Appraisal exercise by independent consultants. It was regarded as a timely consideration of the vulnerability of regeneration structures in Cheltenham in general and in the Oakley area in particular - a vulnerability highlighted by personnel issues which weakened ORP and WLPNP at the end of 2005 and the first part of 2006. All caught up in that issue agreed that such an occurrence must never be allowed to happen again. The seeds for approving the setting up of more robust structures to support long-term regeneration had been sown. The existing structures had been found wanting; their weakness had threatened not only delivery of services to the community, but the very existence of the organisations responsible for that delivery.

It remained the Directors' conviction throughout the exercise that pooling of resources across the town was the *only* viable way forward. Option 4 was the unanimous choice of the ORP Directors at their meeting on 7 February 2007.

They continue to adhere to that point of view.

### Whaddon Lynworth and Priors Neighbourhood Project

The trustees of WLPNP are in total agreement with the viewpoint presented above.

### Hesters Way Partnership's (HWP)

It is the view of the HWP Board that the options appraisal process has been beneficial, delivering some positive networking opportunities and has thereby improved partnership working between the Boards and staff of the five regeneration companies. Specifically the Boards of HWP and HWNP have agreed to meet to discuss mutual concerns on a quarterly basis from March 2007. It is also the opinion of the Board that further discussion between the companies to co-ordinate their activities and business plans should be initiated as some sharing of resources, knowledge and information and funding applications could be of benefit to all.

However, after much discussion and by consensus the HWP Board decided in favour of maintaining the status quo (Option 1). They felt that the key factors influencing this decision were; the current relationship between the HWP and the HWNP; (the need to concentrate on launching the SACS project and improving the effectiveness of the working arrangements between the two companies) the unconvincing financial analysis presented by the WM Consultants; the potential loss of local governance and volunteers and finally the fresh opportunities for partnership that the process has highlighted.

The HWP Board agreed that the options appraisal process had some very positive outcomes, primarily initiating an era of open discussion and an opportunity to create a shared vision for both sustainable companies and sustainable communities. It is judged that through continuity, more stable and propitious conditions for restructuring will arise.

#### Hesters Way Neighbourhood Project

HWNP reiterates the comments made by HWP and in addition adds that it is important that collaborative working takes account of operational as well as strategic matters.

HWNP is particularly of the opinion that the five companies need to invest in financial systems that are fit for purpose for charities, trading arms and not for profit organisations. HWNP is currently looking at such systems and are willing to develop systems that could be used by other Cheltenham voluntary/community sector organisations.

They believe that there are already examples of good practice within Cheltenham in relation to shared working, which could be built on in service delivery. An excellent example of this being the Play Ranger Plus service which involves a variety of delivery organisations across Cheltenham.

HWNP also felt that the SWOT exercise carried out as part of the feasibility process was particularly useful as it enabled regeneration stakeholders to talk to each other in an open and honest way.

#### Cheltenham West End Partnership

It is the view of CWEP that the feasibility process has been helpful and has highlighted areas where joint working between the five companies could be beneficial to all. However, CWEP is of the opinion that, as it does not rely on external funding, its position would be weakened by merging with companies that have been identified as financially vulnerable. CWEP is willing to continue to meet with the other four companies and would not be against re-visiting the idea of a merger at a later date.

# Part B – Collaborative opportunities for the five companies

## **B1 COLLABORATIVE OPPORTUNITIES FOR THE FIVE COMPANIES**

The Regeneration Partnership (now the Stronger Communities Partnership) agreed that the SRCF Working Group will lead on developing and taking forward proposals on how the five companies will work together to improve joint working and make better use of resources with particular emphasis on the following:

### **1. Governance**

This is an area of great concern; the principal of local ownership and governance is regarded as the heart of developing sustainable communities. However, a balance must be struck by finding directors with the skill sets to drive forward an organisation; to remain au fait with current trends and legislation is a difficult task. This is not to say that local people do not have these skills but a balance of local knowledge and professional acumen is key to developing successful regeneration. Improved structures for sharing directors' skills and for training and recruitment of new blood should be encouraged.

In addition a detailed audit of governance systems should be carried out and common systems put in place to promote good practice on accounting, audit, annual general meetings, risk management, performance management and community and political accountability.

### **ACTIONS**

- A list of directors' skills and experience should be drawn up and an assessment of each company's board skills gaps identified.
- Short directorial secondments (or director swaps) should be made of directors with these skills to boards that lack them.
- Shared training courses in core skills for directors should be initiated.
- Training to include clarity on roles and responsibilities of directors/trustees.
- Some commonality of representation from stakeholder organisations on the area regeneration partnerships should be pursued to ensure equity of input across the three areas.
- Carry out detailed audit of governance systems across the five companies.
- Put common governance systems in place.

### **2. Fundraising**

Another critical area of concern is the ability of organisations to attract funding to pay for projects, events and activities that further their aims and objectives and fulfil the needs of local people. If shared work is to be funded then shared strategies and objectives need to be identified. Assuming that this can be achieved, and there is good evidence to suggest this especially in relation to the needs of children and young people, a fundraising strategy can then be developed.

### **ACTIONS**

- Identify and set up cross board fundraising strategy group with a remit to;
  - decide shared project proposals
  - identify appropriate funding providers
  - research local evidential data
  - prepare and submit funding applications

### **3. Efficiency Savings**

One of the claims made of a single company was that it would generate large cost savings. Some of these are potentially achievable without merger in the fields of management, finance, administration and project delivery. In order to make such savings an in depth study of all companies' processes and procedures needs to be undertaken to ascertain where efficiency savings could be made (see 1 above for systems and procedures).

#### **ACTIONS**

- Investigate the use of shared posts to make better use of skills, expertise and resources.
- Investigate the use of shared facilities management systems (i.e. central room bookings)
- Investigate the use of shared post for facilities management.

### **4. Service Delivery and Sharing of Best Practice**

Improvements in service delivery can be achieved through several means; shared delivery following joint funding bids (see 2 above); shared resource use and business planning (see 3 above) and shared knowledge of best practice.

#### **ACTIONS**

- Set up an annual service delivery review to acknowledge the skills and expertise across the companies and to share successes and failures for the benefit of the whole group. This could also act as a strategic development meeting where best practice, future joint projects, resource availability and funding trends and opportunities are discussed and plans for collaboration are developed.

### **5. Facilities management**

As all companies are, or soon will be, involved in managing community facilities there are various opportunities for sharing of resources and experience. It is anticipated that through collaboration, efficiency and cost savings could be made.

#### **ACTIONS**

- Set up a quarterly meeting between facilities managers to ascertain areas where collaboration could occur:
  - Cross town repairs service
  - Shared booking service/forms/procedures
  - Training for new centre staff at Hesters Way Community Resource Centre.
  - Sharing technical knowledge
  - Shared pool of volunteers

### **6. Procurement**

Clearly there will be some economies of scale relating to making bulk purchases of stationery, equipment and ancillary goods and possibly by the use of the same service and utility suppliers (e.g. maintenance contracts, insurance and utility suppliers)

#### **ACTIONS**

- Set up a quarterly meeting between facilities managers to ascertain areas where cost savings could be made (Link with 3 & 5 above)

## **7. Communications and marketing**

Both internal company communications and external promotions could be improved by joint working. These could include improved web based services, shared news bulletins and a better means of communicating of short medium and long term aims both between the companies and to the general public.

### **ACTIONS**

- Develop a joint communications strategy to include a regeneration quarterly bulletin to be distributed to professionals in the town and be released to the press highlighting successes and future plans thereby promoting an information exchange culture.

## **8. Community engagement and involvement**

One of the critical factors in creating needs based projects and of helping to develop strong and sustainable communities is to have grass roots connections within a broad local network. This type of community development can be human resource intensive but the results can also transform communities beyond recognition. A local strategy without this hands on element may appear good on paper but lack the genuine support of the neighbourhood.

Delivery of local services should be at the centre of the five companies' strategies and work plans. This must link strongly with fundraising actions (2 above).

### **ACTIONS**

- Investment in community development roles and local services.
- Identification of "at risk" communities
- Work with Stronger Communities Partnership, CBC and CSP to develop a Cheltenham engagement & participation strategy

## **9. Personnel management (staff, volunteers, boards)**

Good personnel management and recruitment are key factors in ensuring that organisations are successful but professional advice and effective recruitment can be difficult and expensive to obtain. Sharing professional body membership, encouraging secondments or timetabled support from the HR departments of statutory partners and cross organisational / joint training sessions could reduce the financial and human resource burden.

### **ACTIONS**

- Set up a quarterly meeting between the five companies to ascertain areas where joint working could be beneficial (Link with 5 Above)

## **10. Volunteering**

A key feature of the five companies is the level of the volunteering support they receive and the value that this adds to the local organisations. It is critical that improved selection, appointment and support services are developed to continue the flow of volunteers and to maintain the input of their enthusiasm and time.

### **ACTIONS**

- Develop a shared pool of volunteers,
- Develop a volunteer's skills database, including; finance, marketing, PR, HR, IT etc  
These databases will be developed in partnership with the Cheltenham Volunteer Centre.
- Develop a Cheltenham Borough engagement & participation strategy

## **11. Accountability**

All five companies recognise the importance of accountability. They are all members of the Stronger Communities Partnership which will, in line with CSP processes, be putting into place systems to ensure accountability of partners. The five companies agree that they must actively participate in these processes and systems.

### **ACTIONS**

- Partners agree to buy-in to CSP accountability structures which will be monitored via Stronger Communities Partnership.

### C3 ACTION SUMMARY

COLLABORATIVE OPPORTUNITY	ACTION	RESPONSIBLE ORGANISATION	TARGET COMPLETION DATE
<b>Governance</b>	A list of directors' skills and experience to be drawn up and an assessment of each company's board skills gaps identified.	Stronger Communities Partnership	<b>Complete Dec 2007</b>
	Short directorial secondments (or director swaps) to be made of directors with these skills to boards that lack them.	HWP	<b>Start June 2008</b>
	Shared training courses in core skills for directors to be initiated. Training to include clarity on roles and responsibilities of directors/trustees.	HWP in conjunction with Cheltenham VCA	<b>Start Nov 2007</b>
	Some commonality of representation from stakeholder organisations on the area regeneration partnerships to be pursued to ensure equity of input across the three areas	Stronger Communities Partnership	<b>Complete Dec 2007</b>
	Carry out detailed audit of governance systems across the five companies.	Stronger Communities Partnership to set up task group to include CVCA	<b>Set up by Oct 2007</b>
	Put common governance systems in place.	Five Companies	<b>From 2008 AGMs</b>
<b>Fundraising</b>	Identify and set up cross board fundraising strategy group with a remit to; <ul style="list-style-type: none"> <li>o decide shared project proposals</li> <li>o identify appropriate funding providers</li> <li>o research local evidential data</li> <li>o prepare and submit funding applications</li> </ul>	ORP/WLPNP	<b>Set up by Oct 2007</b>
<b>Efficiency Savings</b>	Investigate use of shared posts to make better use of skills, expertise and resources.	Joint Companies Task Group	<b>Set up by Oct 2007</b>
	Investigate use of shared facilities management systems (i.e. central room bookings).		
	Investigate use of shared post for facilities management.		

<b>Service Delivery and Sharing of Best Practice</b>	Set up an annual service delivery review to acknowledge the skills and expertise across the companies and to share successes and failures for the benefit of the whole group. This could also act as a strategic development meeting where best practice, future joint projects, resource availability and funding trends and opportunities are discussed and plans for collaboration are developed.	HWNP/WLPNP	<b>Set up by May 2008</b>
<b>Facilities management</b>	Set up a quarterly meeting between facilities managers to ascertain areas where collaboration could occur: <ul style="list-style-type: none"> <li>o Cross town repairs service</li> <li>o Shared booking service/forms/procedures</li> <li>o Training for new centre staff at Hesters Way Community Resource Centre.</li> <li>o Sharing technical knowledge</li> <li>o Shared pool of volunteers</li> </ul>	Resource Centres Task Group	<b>Task group to hold initial meeting in Aug 2008</b>
<b>Procurement</b>	Set up a quarterly meeting between facilities managers to ascertain areas where cost savings could be made		
<b>Communications and marketing</b>	Develop a joint communications strategy to include a regeneration quarterly bulletin to be distributed to professionals in the town and be released to the press highlighting successes and future plans thereby promoting an information exchange culture.	Stronger Communities Partnership	<b>By Dec 2008</b>
<b>Community engagement and involvement</b>	Investment in community development roles and local services.	Five companies linked to fundraising	<b>ongoing</b>
	Develop a Cheltenham engagement & participation strategy	Stronger Communities partnership with CBC, CSP and GSP	<b>In line with CSP targets</b>
<b>Personnel management (staff, volunteers, boards)</b>	Develop a shared pool of volunteers,	HWNP/WLPNP	<b>March 2008</b>
	Develop a volunteer's skills database, including; finance, marketing, PR, HR, IT etc	In line with Volunteer Centre & LAA	<b>March 2008</b>
<b>Accountability</b>	Monitor implementation of above actions	Stronger Communities Partnership	<b>ongoing</b>
	All companies buy-in to CSP accountability systems	Five companies	<b>ongoing</b>

## **Part C – Planning for the future**

### **C1 SINGLE REGENERATION COMPANY FEASIBILITY (SRCF) WORKING GROUP**

This group to be renamed the Joint Regeneration Companies Task Group.

The group will continue to meet and will provide the steer for implementing the actions under each collaborative opportunity and will also operate as the core membership of any specific task groups set up to address the collaborative opportunities identified in section B.

### **C2 THE ROLE OF THE STRONGER COMMUNITIES PARTNERSHIP**

The Regeneration Partnership (Cheltenham), which is to become the Stronger Communities partnership, will continue to provide support to the group. It will take the lead on those actions that require audits or research. It will take on the role of monitoring body for implementation of actions.

Community Regeneration will continue to be a priority for the partnership.

## **Part D - Conclusion**

Throughout the many months of the feasibility process the neighbourhood projects and the area regeneration partnerships have shown a high level of commitment and readiness to engage fully with the process and the consultants. This commitment is deserving of recognition and praise by stakeholders.

The process has brought the organisations together in a way hitherto unimagined and with continuing goodwill there is a bright future for collaborative work across the regeneration areas.

The opportunities and actions outlined in the section B of this report can collectively enable a sustainable future for the five companies and improved support for Cheltenham's deprived communities.

Investment now into this continued process of developing efficiencies and savings is capable of producing stronger organisations which will continue to play a major role in Cheltenham's future.

The feasibility working group recognises the importance of CBC and other partners' funding for delivering community regeneration. To make the commitments in this report happen successfully and to deliver continued regeneration activity requires ongoing financial support. This financial support from CBC and others will be critical to this success.