

# Overview and Scrutiny

Meeting date: 30 October 2023

## Member (27 total)

### 1. Question from Councillor Tim Harman

Will Cheltenham Borough Council or the board of Cheltenham Borough Homes take the final decision to wind up the company?

#### Response

The decision to wind up CBH can be taken either by the Leader as the Shareholder or by the CBH Board passing a resolution recommending that the company is wound up.

### 2. Question from Councillor Tim Harman

Can tenants of CBC be assured that they will be fully consulted about the final decision with clearly explained question which is not skewed to get one outcome or another?

#### Response

Consultation will be carried out in accordance with the recommendations set out in the cabinet report. The Cabinet have highlighted the importance of consulting with tenants as part of the Cabinet report. Furthermore, the Cabinet report recommends that a 3<sup>rd</sup> party organisation, independent of the council is engaged to conduct this consultation.

### 3. Question from Councillor Tim Harman

Can the consultation process be announced tonight or shortly?

#### Response

The Council is keen to ensure that the consultation is comprehensive and therefore, as per the cabinet recommendations, it is proposed to commission a consultation framework which will provide tenants and leaseholders with the opportunity to provide their view on the proposed change in management, state their priorities in shaping the future housing service provision, ensure their continued involvement, and complement the new consumer standards.

Furthermore, members will note from the recommendations that it is intended that the Overview and Scrutiny Committee are engaged in that process.

**4. Question from Councillor Tim Harman**

Did the Campbell Tickell in preparing their report take evidence from any tenants before producing their report?

**Response**

No

**5. Question from Councillor Emma Nelson**

In considering the decision to bring CBH back into CBC control – how many other LA's, particularly any similar to CBC, were consulted for advice as to “best practice” and any “lessons learnt”?

**Response**

Senior Officers from the council engaged with at least 2 other local authorities to seek their views, however these meetings were arranged and agreed to be confidential so it would be inappropriate to name those authorities.

**6. Question from Councillor Emma Nelson**

Given the impact of the decision on so many tenants across the town and the fact that this sort of thing has already been completed by 31 of the 70 ALMO's, was any support/advice from the LGA or is the Campbell Tickell report the only external advice sought?

**Response**

Campbell Tickell were not the only external view/advice sought, senior officers have regular engagement with the LGA and other local authorities. In addition, external legal advice was sought from Anthony Collins. Anthony Collins also reviewed the Cabinet Report.

**7. Question from Councillor Emma Nelson**

If 31 or the 70 LA's had brought social housing back in house by 2019, why did CBC wait until now to bring back in house and why the urgency?

**Response**

The Cabinet do not consider this to be an urgent decision. It is important to review the provision of all the council's services periodically to ensure that they are fit for purpose and deliver best value. The Cabinet undertook a review of housing services previously in January 2021 which explored bringing the service back in house. At that time, it was judged not to be the best option but since then, as detailed in the most recent report, the council has faced the highest inflation for decades, surging energy prices and communities that are struggling to meet the challenges presented

by a cost of living crisis. Both the General Fund and the HRA have been placed under further pressure because of these once in a generation factors. In addition, reforms of the housing regulations have been undertaken by Government. It was therefore timely to undertake a further review in 2023 bearing in mind these significant factors. The fact CBC is one of the later authorities to bring forward recommendations to wind up the ALMO demonstrates that the Council has taken appropriate time to consider options.

#### **8. Question from Councillor Emma Nelson**

Will CBC be following Campbell Tickell's advice and appointing an "interim CEO to oversee the transition process" and/or an "interim executive programme director"?

#### **Response**

It is unknown at this stage as to what interim or temporary arrangements are required, however, to support any future transfer of services the council recognises that it may need both capacity and specific knowledge or skills to support any transfer.

#### **9. Question from Councillor Emma Nelson**

Will responsibility for CBH integration into CBC, and ongoing Social Housing responsibility, be covered within the Portfolio of the Cabinet Member for Housing?

#### **Response**

Future cabinet portfolios are unknown at this stage and are at the discretion of the Leader.

#### **10. Question from Councillor Emma Nelson**

I understand that CBC Members on the CBH Board were only advised of the situation just 7 days before the general Members briefing on Friday 6<sup>th</sup> October. How can this constitute "consultation"?

#### **Response**

All CBC Members have access to the forward plan to enable them to ask questions. The Cabinet Report was published on the public forward plan in advance of the 28 days' notice to follow the process for all other Cabinet decisions. The Cabinet report is clear that tenant consultation will take place in advance of the decision to wind-up CBH. Overview and Scrutiny will play an important role in overseeing the process going forward providing a platform for members to share their views.

**11. Question from Councillor Emma Nelson**

How many redundancies are expected from CBH staff?

**Response**

This is unknown at this stage and any future integration of CBC and CBH will take time. Through this process it is expected that efficiencies will be delivered from working as one team and reducing duplication, but it is impossible to be specific at this stage. The council has a successful track record in minimising or even eliminating the need for compulsory redundancies and this is the approach that will be taken again. The Council is committed to following all appropriate HR processes and engaging with unions through any change process.

We hope that bringing the two organisations together will also bring some opportunities for people to expand and develop their knowledge.

**12. Question from Councillor Emma Nelson**

Is the £2m annual saving net of the redundancy costs?

**Response**

Yes. Both the Council and CBH have one off ear-marked reserved that are set aside for transformation.

**13. Question from Councillor Emma Nelson**

How confident are you of the £2m annual saving?

**Response**

Paragraph 5.13 of the Cabinet report sets out the areas identified for potential savings. The £2m savings target is considered achievable.

**14. Question from Councillor Wendy Flynn**

Who initiated the request for a consultant's report on the issue?

**Response**

The Cabinet requested that officers take appropriate measures to explore the option of bringing CBH back under the control of the council. Officers then recommended that an external adviser was used to support the Cabinet in reaching a decision on the future of housing.

**15. Question from Councillor Wendy Flynn**

Who drafted the terms of reference and what were those terms of reference?

**Response**

Officers drafted the brief for Campbell Tickell for approval by relevant Cabinet Members. In summary the brief set out that CBC would like to commission a strategic housing review which will:

1. Provide assistance to CBC in developing its strategic vision for housing;
2. Set out a detailed evaluation around the short term option of a fully integrated shared management team across CBC and CBH, including how this might best be implemented;
3. Consider 2 options for the longer term:
  - a. Bring the ALMO fully in-house and not retain the legal entity; and
  - b. Bring the ALMO fully in-house, but retain the legal entity for specific housing purposes (such as the delivery of PRS accommodation).

#### **16. Question from Councillor Wendy Flynn**

Were the procurement rules followed? If not, what were the reasons for this?

#### **Response**

Campbell Tickell were appointed in accordance with the Councils Contract Procedure Rules. Given the cost was just over the £10,000 threshold which would require the Council to obtain 3 quotes, a waiver was granted to enable a direct award to be made on the basis that they are leaders in the field and had previously worked with both the Council and CBH, having conducted the review of the CBH board and therefore were familiar with both organisations

#### **17. Question from Councillor Wendy Flynn**

How much did the report cost?

#### **Response**

£10,450

#### **18. Question from Councillor Wendy Flynn**

When was it commissioned?

#### **Response**

Campbell Tickell were engaged in May 2023. However, Campbell Tickell have previously undertaken reviews for the Council and have been previously commissioned by CBH so they have extensive existing knowledge of both the Council and CBH.

#### **19. Question from Councillor Wendy Flynn**

Who were the stakeholders referred to in the report?

## **Response**

The stakeholders referred to included, Cabinet Members and Senior Officers.

### **20. Question from Councillor Wendy Flynn**

What were the reasons for not including consultation with i) CBH employees and board members ii) tenants?

#### **Response**

As stated in the Cabinet Report, tenants will be consulted in advance of any decision to wind-up CBH and the cabinet report also emphasises the importance of engaging with tenants. In 2021, a report was presented to Cabinet with an attached review from Campbell Tickell on options for the future of housing services, this included the option of bringing the service back in house. The CBH Board, tenant board members, TSIP and senior employees were all given an opportunity to share their views at that point. The most recent CT review specifically focussed on the option of integrating services following the significant changes and challenges that the Council and CBH have faced.

### **21. Question from Councillor Wendy Flynn**

When we moved to an ALMO, benefits were very clear in that funding could be accessed to update properties to the decent homes standard, meaning tenants had new kitchens, bathrooms, heating systems, and more. There was a direct link between the decision and tangible positive outcomes for tenants. CBH is an outstanding organisation and tenants are happy with the ALMO. The report doesn't show any clear benefits to residents from the change in management. It does talk about some benefits but not how they would be realised. What are the direct, tangible benefits to tenants from this change?

#### **Response**

The report is clear of the financial challenges facing both the General Fund and the HRA. It is estimated that £2m in efficiencies across the General Fund and HRA will be generated through CBH and CBC becoming one organisation. Many tenants and residents rely on the services that CBC provide so the most significant tangible benefit is that through making efficiencies we will be able to maintain council services when otherwise we may have been faced with decisions to cut or reduce services at a time when our tenants and residents need them most.

In addition, a further tangible benefit that we expect to be realised as the organisations evolve is smoother and more efficient customer journeys, more responsive and joined up services and, through sharing our collective skills in regeneration and development delivering more much needed homes at greater speed than remaining as separate organisations.

A final benefit is that workforce challenges are a nationwide issue across many jobs roles in the public sector. Being a single, larger organisations help to mitigate workforce challenge risks.

**22. Question from Councillor Wendy Flynn**

If the decision to wind up CBH has not yet been taken, why does the CBC media campaign surrounding it say that it has?

**Response**

It is common for Councils across the country to set a clear strategic direction for the services which they are ultimately accountable for. The Cabinet report sets a clear strategic direction with a recommendation to wind-up CBH as a company.

As stated previously, consultation with tenants will take place in advance of the decision to wind-up CBH as a company.

**23. Question from Councillor Wendy Flynn**

What are tenants, board members and employees meant to infer from the campaign?

**Response**

The Cabinet has set a clear strategic direction that it is the intention to wind-up CBH and transfer housing services under the direct control of CBC and that Tenants will be consulted on this change.

**24. Question from Councillor Wendy Flynn**

How can consultation be meaningful if all those being consulted have been told the decision has already been made in CBC media communications?

**Response**

Consultation with tenants has not yet started but the letter to tenants makes a clear commitment that *“As we look to the future, tenants and leaseholders will have the opportunity to be front and centre in helping to shape what our housing services will look like.”*

**24. Question from Councillor Wendy Flynn**

Why was the option of transferring the housing stock to a housing association not included in the report?

**Response**

That was not an option that the Cabinet, as the executive, wished to explore.

**25. Question from Councillor Wendy Flynn**

When was the decision of the cabinet communicated to CBH staff and how was it communicated? If in writing, please could we see copies of correspondence.

**Response**

An all staff briefing for CBH staff, hosted by CBC and CBH was held on 4 October to advise employees of the proposed direction of travel ahead of any information being placed into the public domain. Subsequently a dedicated inbox was set up to provide a facility for employees to submit questions.

**26. Question from Councillor Wendy Flynn**

When was the decision of the cabinet communicated to the CBH board and how was it communicated? If in writing, please could we see copies of correspondence.

**Response**

The chair of the board was briefed by the Leader on 22 September 2023.

**27. Question from Councillor Wendy Flynn**

Have any talks taken place with CBH staff around TUPE or redundancy? If yes, when did these start?

**Response**

Until such time as the integration plan referred to in the cabinet report has been prepared and agreed it is not possible to enter into formal discussions around TUPE or redundancies. Informal conversations have taken place to ensure both organisations are managing staff concerns. When that time arises, the Council will follow all appropriate HR processes and engage with the recognised trade unions.