



**Draft report of the scrutiny task group on
the Cheltenham Borough Homes-
Cheltenham Borough Council transition**

September 2024

Report back to Overview and Scrutiny and Cabinet on the monitoring of the transition of housing services back to Cheltenham Borough Council 2024

Draft Report of the Scrutiny Task Group CBH-CBC Transition

1. INTRODUCTION

- 1.1 On 17 October 2023, [Cabinet](#) resolved to bring the delivery of the council's Housing Services, managed by its arm's length management organisation, Cheltenham Borough Homes (CBH), back under direct management by the council. A call-in request in relation to this decision was received by the Proper Officer on 24 October 2023 and having accepted it as partially valid, the call-in was considered under urgent business at the [meeting of Overview and Scrutiny on Monday 30 October](#).
- 1.2 Having considered the call-in, Overview and Scrutiny resolved to set up a scrutiny task group whose role would include monitoring the transition.

2. TERMS OF REFERENCE AND IDENTIFIED OUTCOMES

- 2.1 The Terms of Reference approved by the Overview and Scrutiny Committee for the review were as follows:
- To receive the integration action plan.
 - Actively contribute to the creation of a consultation framework to develop a Tenant Offer to provide tenants and leaseholders with opportunities to provide views on proposed changes in management, state their priorities in shaping the future housing service provision, ensure their continued involvement, and complement the new consumer standards.
 - Actively contribute to the development of the future governance framework.
- 2.2 The outcomes it identified for its review were as follows:
- To be assured that the integration action plan is effective and being followed according to plan, with all impacted stakeholders being effectively engaged.
 - To have contributed to a consultation framework which provides the opportunity for tenant and leasehold engagement both now and in the future.
 - Be confident that the future governance framework will provide the council with the assurance required to meet its regulatory requirements.

3. MEMBERSHIP

- 3.1 This was a cross-party scrutiny task group comprising: Councillors Baker, Bamford, Flynn, Joy (as substitute), Nelson and Williams. Ian Mason, Cheltenham Borough Homes Board Member and tenant representative was invited to participate in the scrutiny task group as a co-optee.

- 3.2** The group was supported by the group's sponsor, Claire Hughes, (Corporate Director and Monitoring Officer) and Bev Thomas (Democratic Services Team Leader) likewise as the facilitator.

4. APPROACH

- 4.1** At the task group's induction meeting on 20 November, Members considered its terms of reference and set out their method of approach. Meetings took place under Chatham House rules, with attendees able to speak openly.
- 4.2** The Chair of the Scrutiny Task Group, former Councillor Emma Nelson, reported back to each meeting of the Overview and Scrutiny Committee.
- 4.3** Additionally, the Leader of the Council reported back on the CBH-CBC transition progress to each meeting of the Overview and Scrutiny Committee.
- 4.4** The task group would like to thank the external attendees for their contributions.

5. FINDINGS, CONSULTATION AND FEEDBACK

- 5.1** This section is organised chronologically, with an outline of each of the seven meetings, to demonstrate how Members conducted their work and inputted into the consultation and governance proposals.

Tenant /Leaseholder Consultation Framework

- 5.2** At its December 2023 meeting, the scrutiny task group met with Campbell Tickell who had been commissioned by the Council to undertake a tenant and leaseholder consultation to ensure that CBC had the maximum tenant input into its strategic management decision to bring the council's housing stock back in-house. This key first stage would provide tenants with the opportunity to express their aspirations for the future housing service and engagement model.
- 5.3** Members of the STG learned that the Social Housing (Regulation) Act approved in July 2023, was being implemented, with new consumer standards coming into effect in April 2024. Under the new legislation the Regulator of Social Housing would have additional powers, and the Council would be subjected to ongoing routine inspections into the future.
- 5.4** Members were given the opportunity to comment on Campbell Tickell's proposed schedule of both in-person and digital consultation. They highlighted that the apparent bias towards digital was thought, given the nature of the wards in which housing was located, not necessarily to be the most effective consultation mechanism.

- 5.5** They also flagged that certain key areas containing higher densities of social housing appeared to be missing from the list of face-to-face sessions. They also recognised that the mechanisms suggested would not give appropriate provision for those unable to leave their homes and other under-engaged residents. These points were taken on board.
- 5.6** They learned from Campbell Tickell who had carried out similar consultations in other areas that webinars are well-attended, and a reasonable level of attendance was expected at face-to-face events which had attracted 20-30 people at each session. Members felt this figure was extremely low, given the number of tenants living in the borough. CT reiterated most authorities when undertaking this consultation adopted the approach proposed. Members highlighted that it was vital to reach people who were routinely disenfranchised, particularly as these people were unlikely to respond to a single item posted through the letterbox.
- 5.7** Members learned that CBH community leads had been heavily involved in developing the consultation and had suggested locations for face-to-face engagement to include sheltered housing schemes. It was also flagged that periodic texts would be sent out to tenants so there were a variety of different contact mechanisms available. Equally, the CBH community team would be undertaking their normal engagement so this would be an ongoing process throughout the consultation period.
- 5.8** A 10% response rate for these types of surveys was deemed to be good, but it could be higher given the Christmas period as it offered free time for responding to survey requests.
- 5.9** Members considered the roles that they and Parish Councillors could play in their wards to promote the consultation and best utilise their knowledge of residents and existing networks. This was welcomed, and as a result councillors would be included on communications regarding the consultation process.
- 5.10** The group learned that the consultation also aimed to ensure that tenants/leaseholders understood the nature of the changes being made. It included questions on service priorities, based on how current service provision was viewed, e.g. repairs and maintenance, mould, and safety. Responses would provide a sense of tenant/leaseholder priorities for the new service model would have to immediately respond to, balancing realistic expectations with mandatory regulatory compliance.
- 5.11** In response to a query from a Member, a question relating to energy usage and carbon footprint was added to the survey to gauge priority among tenants.

- 5.12** A comment was made on the term 'tenant offer' as this could be interpreted by tenants that they would receive more because of the change. This point was taken onboard, and it was agreed that the term 'tenant offer' would be rephrased.
- 5.13** Members felt passionate about the importance of the tenant voice and were reassured that consultation represented just the first stage of tenant engagement.

CBH Governance

- 5.14** At its December 2023 meeting, Members met the CBH Governance and Business Assurance Manager and a CBH tenant representative on the Board (who was subsequently co-opted on to the STG) and they gained an understanding of the current CBH governance structure and performance, including tenant satisfaction levels.
- 5.15** Members noted that the level of scrutiny from Board Members was appropriately rigorous. Going forward, it was emphasised that Councillors would need to acquire the significant knowledge and skills to become adept in responding to scrutiny by the Housing regulator. It was noted that an inspection may be conducted fairly quickly after transition in order to seek the relevant assurances. There had been no external regulatory inspection of CBH since 2007. That said, the Tenant Scrutiny Improvement Panel (TSIP) which worked independently, played a key role in identifying weaknesses, thereby actively holding CBH to account.
- 5.16** It was noted that there was now more connectivity between the Housing Ombudsman and the Regulator for Social Housing, particularly in terms of establishing channels of communication where there is non-compliance with regulatory obligations.

First meeting with the Interim Director Housing Transformation

- 5.17** At its January 2024 meeting, the task group met the Interim Director Housing Transformation. His extensive housing experience at previous local authorities, including direct involvement in bringing an ALMO back in house, was noted.
- 5.18** Members noted the conversation with tenants now needed to be developed further in terms of governance. Tenants were not necessarily concerned about who specifically managed housing stock, but how management translated to everyday visible problems such as repairs work and antisocial behaviour, which tend to require rapid response.

- 5.19** At this meeting, Members were able to flag concerns expressed by their cooptee colleague about the late notice of face-to-face consultation sessions at Hesters Way. Members felt that community champions/point of contact should be engaged earlier to make the hard to reach aware of consultation via door knocking/phone calls particularly. Some tenants could not read so could not have taken full note of the dates circulated in the letter circulated to all.

Transition Update

- 5.20** Members were briefed by the Interim Housing Director at their January meeting that officers were establishing the main workstreams, projects and risks. Addressing the issue of uncertainty for CBH staff as soon as possible was key. They were advised that there was collaborative working with leads from both organisations, and the TUPE process would commence after the tenant consultation process had concluded. The winding up of the company would be much more complex.
- 5.21** Members noted that the Social Housing Regulator would expect that future governance strategy would be created directly with tenants, hence it was imperative that the right people were represented at key intervals.
- 5.22** When asked about officer resourcing of the transition, Members were informed that there was a fund for change. There was a recognition that external technical experience was required such as legal, tax and VAT specialists to assist the council in understanding the unique implications of the transition.
- 5.23** Members of the STG noted that the TUPE process was being progressed.
- 5.24** Members noted the importance of personal contact with CBH which was valued by many tenants and this should be maintained after transition. Other elements of CBH's expertise should be protected so that sensitivity and personalised approach is not lost.
- 5.25** At this meeting the Chair of the STG informed that she had requested a third agenda item on reviewing plans for the customer interface provision in the future but had been advised by the Interim Director Housing Transformation that *"the first priority is to look at what is needed to make sure the transfer of services is trouble free. This means as little change as possible before the service comes back to CBC. We're also looking at how to develop the 'tenant voice' and make sure we have developed our plans with tenants. Then*
- 5.26** *we will look at service improvement and efficiency which we can develop after the transfer. At this stage we would look to capture these issues and it would be part of a broader review of customer and tenant contact. At this stage reviewing the project plans and learning about the tenant consultation outcomes seems more of a priority."*

Results of the tenant leaseholder consultation and future tenant engagement

5.27 Campbell Tickell briefed Members at their February meeting on the outcome of the tenant consultation which was considered to have attracted a good response rate. Members noted the recommendation from CT that the results of the consultation should be fed back to tenants and leaseholders in some format to ensure that they knew effective consultation had been processed and taken on board.

Update on the transformation project

5.28 The Interim Housing Transformation Director gave Members an update presentation on the CBH service transfer at the February meeting. They noted the focus on a smooth transition as the priority rather than service improvement which could potentially disrupt the project. Once the transfer had completed, there would be an opportunity to evaluate delivery going forward

Proposed governance arrangements

5.29 The Monitoring Officer presented the proposed governance arrangements to the group at its March 2024 meeting. They noted that, if approved, these would be interim arrangements at the date of transition, but it was important things were in place due to the link with compliance. New consumer standards would come into force on 1 April and work was ongoing in terms of identify and address any gaps in compliance. It was noted that contact would be made with the regulator in advance to inform them of progress. The coopted Member on the group gave particular support for this approach, as being honest and communicative was vital, and would reduce the chance for complacency to arise.

5.30 It was confirmed that the current Board and Tenant Scrutiny Improvement Panel were being consulted extensively on the proposals. Members noted the current proposal for a cabinet housing committee (non-decision making) which would meet in public. This would comprise 5 Councillors (politically balanced) and 4 co-opted residents – 2 tenants, 1 leaseholder and one shared ownership representative. It would be chaired by the Cabinet Member with responsibility for housing (this was subsequently amended to facilitate a more independent chair) and meet 6 times a year. A tenant panel would sit alongside this and would have meaningful direct input to the Cabinet. The terms of office of tenant reps would not be tied down at this stage, but for the short term a holding pattern would be established while the tenant voice workstream develops. The most important factor was to have something tangible in place on transfer to ensure compliance.

5.31 Members had the opportunity to question the timing of implementing the new arrangements when borough elections were scheduled in May, but noted Cabinet and Council would consider them in June. Members were reassured that housing-specific training was scheduled as part of the induction

programme, and more tailored training for members of the cabinet housing committee had also been organised.

- 5.32** Members noted that an action plan would be developed to ensure compliance with the regulations to present to the CBH board at the end of May.
- 5.33** It was also noted that the council was required to nominate certain posts at director level including property compliance and complaints; the regulator had new powers to remove these officers if necessary, so it's important to ensure that regulatory criteria is being met.

Update on the transformation project

- 5.34** The Interim Housing Transformation Director was also present at the March meeting to provide an update to Members and give Members the opportunity to raise further questions. They learned that TUPE consultation was advancing, a consultant had been commissioned to provide specialist advice on the transfer of assets, ICT was working on the smooth migration of systems.
- 5.35** Whilst there was no risk to the transfer date at this stage, the key would be the ability for the council to demonstrate to the regulator that the assets were safe and properly maintained. A full condition survey of all housing assets would be undertaken to meet the demands of the regulator in this regard particularly considering the new Decent Homes Standard, which would be tougher on sustainability.
- 5.36** Members followed up on the tenant survey information and noted that the focus remained on the transfer and TUPE of staff. Work after the borough elections would initiate engagement with tenants on an improvement plan determine priorities across both statutory and environmental improvements. The coopted member of the STG flagged that the responsibility would move directly to councillors in providing evidenced assessments. In terms of customer access, Members noted that an obvious customer facing single point of contact for tenants to raise property issues or antisocial behaviour concerns was vital.
- 5.37** Members learned that the Interim Director of Housing Transformation had been engaging with different CBH teams and shadowing them in their roles to note potential tension points and understand dynamics ahead of the transfer. It was recommended that representatives from the scrutiny task group also use the opportunity to accompany housing officers whilst out in the community post transfer.

6. CONCLUSION OF THE WORK OF THE STG

- 6.1** The STG were well engaged throughout the transition period, received regular updates from officers, and asked questions through each stage of the transfer process.
- 6.2** The STG provided valuable input into the proposed governance arrangements, and felt equipped to support the implementation of those arrangements when approved at Cabinet and Council.
- 6.3** With the completion of the transfer of staff and services and with the implementation of the governance arrangements, including the Housing Cabinet Committee, tenant panel and leaseholder/shared ownership panel the work of the STG has been concluded.

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