

Cheltenham Borough Council Overview & Scrutiny Committee Minutes

Meeting date: 30 October 2023

Meeting time: 6.00 pm - 7.50 pm

In attendance:

Councillors:

Tabi Joy (Chair), Steve Harvey (Vice-Chair), Graham Beale, Nigel Britter, Jackie Chelin, Julian Tooke, Suzanne Williams and Emma Nelson

Also in attendance:

Paul Jones (Executive Director of Finance, Assets and Regeneration), Gareth Edmundson (Chief Executive), Claire Hughes (Corporate Director and Monitoring Officer), Helen Mole (Head of Place Marketing and Inward Investment), Frank Wilson (Finance Director) and Ann Wolstencroft (Head of Performance, Projects & Risk), Councillor Rowena Hay, Councillor Peter Jeffries, Councillor Victoria Atherstone

1 Chair's introduction

The new Chair introduced herself, putting on record her thanks to the former Chair, Councillor Payne, and also to all Members who supported her nomination - she will try to be a credit to them all. She also welcomed the newly-elected member for Prestbury ward, Councillor Stan Smith, who has joined Overview and Scrutiny Committee.

She said Members were made aware of the call-in of the Cabinet decision of 17 October in relation to Cheltenham Borough Homes and the proposed change to the published agenda as a result. The call-in would be considered under urgent business, and the scheduled Minister Exchange item and tour would be considered at the next meeting instead. Questions already received concerning the MX would be addressed then.

2 Apologies

Apologies were received from Councillor Fifield. Councillor Harman was present as his substitute.

3 Declarations of interest

There were none.

4 Minutes of the last meeting

The minutes of the meeting held on 04 September were approved by those who had been present, and signed accordingly as a true record.

5 Public and Member questions, calls for actions and petitions

There were none on this occasion.

6 Cabinet Briefing

The Leader suggested that, in light of the imminent changes to the service provided by Publica, Members of Overview and Scrutiny might like to be involved in the discussion. Although CBC does not share as many services with Publica as other authorities, it will still have an impact on the council. She felt that any discussion would be better informed when it is more clear what other authorities are doing. The Chair agreed, and said this could be worked into the work programme and included on the agenda for the next meeting.

7 Matters referred to committee

To clarify, the Chair confirmed that the call-in of the Cabinet's decision on Cheltenham Borough Homes, taken on 17 October, would be dealt with as urgent business.

8 Publica Annual Report 2022/23

Ahead of the report from Publica, the Monitoring Officer gave a brief update on the changes currently underway, following the decision early in 2023 to bring HR services (other than payroll) back in house. The new HR team has been operating well for over a month now, and the new digital recruitment system has received positive feedback from staff and Members. She was happy to take any Member questions on this.

The Chair welcomed Frank Wilson and Sally Walker from Publica, and invited Mr Wilson to address Members. He thanked Members for inviting him, and said he would be happy to support any scrutiny of the changes currently in progress. He highlighted the following:

- the final version of Publica's Annual Report will be shared once the shareholders' forum has taken place, but all the main elements are covered in the text-only version presented with the agenda;
- a section on Future Publica is the result of work with the shareholder forum to consider ways of delivering further £2m saving for partner councils, having now

delivered what was set out in the original business case. The service-specific metrics are appended for information, as CBC takes a smaller set of services from Publica than other partners;

- last year, to March 2023, and following the consolidation of previous savings plans, Publica delivered more than £2.9m savings, 50% more than what was set out in the original business case;
- Publica recognises that partner councils are moving in different directions and taking strategic decisions, as CBC has done with its HR provision, and is happy to flex its model to work with them in this;
- another key element in the last year was a further £450k one-off saving returned to councils, and work continues on the Future Publica programme of additional savings. Publica recognises the challenges partner councils are facing over the next few years, and are looking at a number of ways to respond;
- key non-financial achievements include Investors in People status and bronze position for carbon literacy training, plus investment, with the councils' support, in cyber security to further secure our systems – this was recognised as a critical area over a year ago, and is now paying dividends;
- Publica has also sought to secure external funding for partners in a number of different programmes, including the local authority housing fund;
- Publica continues to focus on identifying and reflecting on where it can deliver more over the next 2-3 years, but is mindful of the decisions of the last week and those being made over the weeks.

He concluded by saying that the services provided for Cheltenham were limited but critical, the most important being ICT, which underpins the work of the council and its partners, including Ubico, CBH and the Cheltenham Trust. The report shows strong performance data in terms of work done in responding to requests. He said Publica recognises that the model needs to flex and is happy to work with the management team at CBC, including on the transition of CBH, which may have some impact on the ICT infrastructure and financial transactional services.

Member questions and responses circulated before the meeting were taken as read.

A Member expressed appreciation for the critical work of John Chorlton and his team, maintaining CBC's cyber security for a number of years. Mr Wilson agreed that there have been many challenges over the years, and he in turn thanked the Chief Executive and his team for the additional resources provided to fund their work. He was confident that CBC would not be hit by the same situation as some other councils, but stressed the need to be constantly on guard.

The Chair took the opportunity to remind Members to complete their on-line cyber-ninja training by 01 November.

9 Christmas in Cheltenham 2023

Helen Mole (HM), Head of Place Marketing and Inward Investment, introduced her report, saying that Christmas is critical to the local economy, and it is important that the council supports local businesses, promoting all that is happening in the town

and encouraging visitors and residents to choose Cheltenham as a destination. She highlighted the following points:

- stakeholders were engaged to coordinate key Christmas dates and ensure no clashes, and her team continues to work with stakeholders, partners and businesses across the town with a comprehensive 'Christmas in Cheltenham' marketing campaign. This is reaching many thousands of people and includes a dedicated website, PR campaign, leaflet drop, radio campaign, and sponsored social media campaign;
- the ice rink will operate 17 November – 01 January. In 2021, 43k tickets were sold, bringing £3m to the local economy. This year, there is a strong focus on accessibility for pricing, with significant discounts for families, schools and large groups, plus full accessibility for wheelchair users, free tickets for carers, and SEND and pre-school sessions;
- it will provide opportunities for local businesses via catering concessions;
- the environmental impact is also under scrutiny, with measures to use hydro-treated vegetable oil (HVO) instead of diesel, the most modern generator, and a mobile battery overnight to restrict generator use. This is a significant innovation in event management and Members will receive a full report after the event about its impact;
- residents' concerns are at the heart of all the planning; her team has met with them locally, and letters have been sent to all local residents and businesses, setting out plans and providing 24/7 contact details. There will be an onsite manager and security throughout, and every effort will be made to minimise disruption;
- the Christmas lights (16 November – 02 January) are outsourced to BID: CBC has provided £47k, matched by BID's £50k, and the launch event is scheduled for 16 November, with several hours of events and entertainments to spread out the enjoyment and keep people in town for longer;
- a comprehensive marketing campaign is encouraging all businesses and event organisers in Cheltenham to share information about what they are doing this year, all events being included free of charge on <https://www.visitcheltenham.com/christmas>

The Cabinet Member for Economic Development, Culture, Tourism and Wellbeing added that HVO with an overnight battery was used at the recent Cheltenham Festival and praised by Planet Cheltenham, a reassuring endorsement which confirms that CBC is on the right track and way ahead of similar events around the country. It is good to discuss this and report back to O&S, as residents will be holding CBC to account.

Members' written questions had been answered in advance, and the Chair invited further questions. In response, HM confirmed that:

- a comprehensive review of possible sites for the ice rink was carried out last year, including Montpellier Gardens, parts of the High Street, and car parks. The decision was made the use Imperial Gardens again, largely due to the location and proximity to businesses, but this will be open to review again in future years;
- regarding the slightly confusing road lay-out around the Queens Hotel, and possibility of any mitigating pedestrian schemes, ice-rink users are encouraged to use public transport front and centre in all how-to-get-there information, but

pedestrianising the area is not an option due to the challenges for disabled parking and not wanting to add to the impact already created for local residents. Pedestrian movement will be closely monitored, with on-site security stewards looking out for any issues.

Members thanked HM for the comprehensive report and looked forward to the post-evaluation review in February.

10 End of year performance review and current performance

Ann Wolstencroft (AW), Head of Performance, Projects and Risk, introduced her report, the third she has presented to O & S. It has been produced by working with service managers, who report improvements each year with indicators to measure the success of their business areas, and reviews ongoing from year to year.

She confirmed that the information and data is validated in a number of ways – by service managers working with teams, directors working with and having conversations with managers, and SWAP audit reviews of performance indicators. It is interesting that a number of items discussed tonight feature in her review, including bringing HR services back in house, which it is hoped will have an improved impact on exit interviews, and the return of the ice rink, which will have a positive effect on Marketing Cheltenham's performance.

A Member congratulated her on the report, but asked for the many acronyms to be explained or spelt out next year.

In response to a Member question, AW hoped that bringing HR services back to Cheltenham would result in a greater uptake of exit interviews, offering a closer approach, more discussion with managers, and a face-to-face option. She didn't feel that the turnover of staff was particularly high or staff morale and motivation particularly low, but hoped that having HR in-house would mean any issues were picked up and dealt with quickly, giving staff the opportunity to speak directly with the HR team. A Member suggested a proforma with a box where people can share their reason for leaving, though realised that they cannot be compelled to do this. AW said reasons for leaving are monitored, and are usually for retirement or better opportunities. She will report back on this.

The Chief Executive added that the job market is particularly tough at present, and this is one of the reasons why HR has been brought back in house – to have a more direct relationship with employees, ensure they feel happy and valued, and reduce the churn. CBC is doing quite well compared with other local authorities, but there is a huge national shortage of planners, qualified licensing officers, HGV drivers and more, and people circulating between different local authorities isn't the answer. CBC is keen to focus on this area, and considers retention of staff to be critical.

A Member asked about the number of and time taken by FOI requests. AW said she was aware the number is high and these requests take a lot of time, but would get back to the Member with some actual figures.

11 Feedback from other scrutiny meetings attended

The following reports had been circulated with the agenda and were taken as read:

Gloucestershire Health O&S Committee (October 2023) – update from Councillor Bamford

Gloucestershire Economic Growth O&S Committee (21 September 2023) – update from Councillor McCloskey

Gloucestershire Police and Crime Panel (meeting date) – update from Councillor Clucas to follow

12 Updates from scrutiny task groups

A proposed Scrutiny Task Group would be considered as part of the call-in under urgent business.

13 Review of scrutiny workplan

There were no comments on this item, but the Chair said Members' suggestions for the work programme were always welcome and she encouraged them to submit any ideas.

14 Any other item(s) that the Chair determines to be urgent

The Chair introduced the item - a call-in of the Cabinet's decision on 17 October to bring Cheltenham Borough Homes (CBH) services back in house – saying that although call-ins are rare, it is the intention that Cabinet and Overview and Scrutiny work in partnership to explore all options and keep what really matters at the heart of all decision-making. She thanked the Chief Executive, Leader, and Cabinet Member for Housing for attending the meeting. All responses to questions from the call-in group had now been published and would be taken as read, but Members can ask further questions if they wish. She invited those Members of the call-in group who were present to set out their reasons for the call-in.

Comments from the call-in group

Councillor Harman began by thanking Bev Thomas and Democratic Services for their help with this rare event, and made the following points:

- all agree that the housing service touches many lives in Cheltenham, and it is important to make the right decision. He is not saying that bringing CBH back in

house is wrong, but there are some issues about the process – the suddenness of the decision, the rushed timescale, and what could be viewed as apparent pre-determination. It is important to expose this important issue to maximum scrutiny, and he hoped for a good and honest discussion;

- while the process is important, the people are even more important, and tenants may feel unsettled by this decision. Some may not remember the position before CBH was created 20 years ago, and the general opinion is that CBH has provided excellent service and saved CBC a lot of money. The report states that Members were briefed – this was not a formal session, and not much detail was shared, but he recollects asking whether the tenants had been consulted.

He looked forward to hearing from other Members.

Councillor Flynn also thanked Democratic Services, and commented as follows:

- the 80-page 2020 Campbell Tickell Strategic Housing Review considered the option of bringing housing management back in house or continuing with the ALMO. It included extensive consultation with a wide range of tenants, stakeholders and partners, discussed the pros and cons in a balanced way and, while leaving the final decision open, leant heavily towards retaining the ALMO;
- the 30-page 2023 report was biased in favour of CBC taking CBH housing management back in house, and was mostly concerned with a target operating model. There was no consultation with stakeholders who might have a view about retaining the ALMO, and it is noted that both employees and CBH board members have not been allowed to share their views publicly. The only stakeholders consulted were CBC Cabinet Members and senior officers;
- the 2021 report to Cabinet agreed from the outset that any review of the housing service would be jointly commissioned by CBH and CBC, who would develop the scope and brief together and, to complete a meaningful and rounded review, stakeholder engagement would be essential, including with CBC and CBH employees, councillors, CBH tenants, and board members;
- the 2021 Cabinet decision was taken following that consultation, while the recent one was not, and it is therefore not in accordance with Principle D of Decision-making;
- the recent decision is also not in accordance with Principle G, which states that there should be clarity of aims and desired outcomes. The decision affects a huge number of residents, many of them vulnerable, but no direct tangible benefits to those tenants have been identified, and no evidence provided to suggest the present way of managing CBH doesn't work well for tenants;
- the report talks about new affordable housing provision, but doesn't say whether current tenants or those on the waiting list will benefit. It would be a different matter if there was a commitment to homes for social rent;
- the 2020 report demonstrated CBH's ability to deliver wider community outcomes and CBC's strategic objectives within the legislative context and at an acceptable level of risk, yet the later report says CBC can do this – but with no direct, tangible benefits to tenants, the people most affected;
- to move from the status quo, there have to be clear, articulated benefits for tenants, but there are not. A further report should be commissioned.

Councillor Nelson said her concerns were more about the process and the way in which CBC had shared its intentions. She was sad and shocked to learn of its decision through a Member briefing, and also by the lack of notice to key stakeholders and the CBH Board. She felt informing CBH employees had been handled insensitively, via a Teams meeting on Wednesday 04 October, and has resulted in a lot of people feeling nervous and worried about their future roles. She stressed the need to keep employees on board, which was not being done at present.

There were no questions from O&S Members concerning the reasons for the call-in.

Decision-makers' response to call-in

The Leader said that Campbell Tickell had been asked to look at the future of the ALMO and the option of bringing it back in-house three years ago, and following extensive engagement with many partners and stakeholders, it reported to Cabinet in 2021 that the preferred option was to retain the ALMO, and allow the partnership between CBH and CBC to strengthen and evolve– which was done and has worked well, including the bringing together of the two communications teams.

Since then, interest rate rises, the cost of living crisis, increased energy and housebuilding costs, government pressure on private and public sector housing and additional responsibilities for councils have raised the question of the need for a 'middle man' solely accountable to a council. As a result, councils across the country are terminating their ALMO arrangements, with those retaining them increasingly outliers.

She stressed that the tenants' voice is a key priority, and the question 'why now?' will be answered as we move forward. Ultimately as Leader and shareholder, she has to act on behalf of all residents and businesses, and financial pressure has forced the Cabinet to look again at its ALMO. Councillors in the call-in group suggest that the reasons are unclear, but as a Cabinet Member for over ten years and Leader for three, the current financial situation is the most challenging the council has faced, following a decade of austerity and budget cuts. During that time, the council has managed not to cut any of its key services, and protecting these services is paramount. In order to do this in the face of mounting challenges, the council must squeeze every possible efficiency across its partnerships to keep them secure – by joining together, making efficiencies, reducing duplication, and harnessing joint skills. The alternative is to carry on with the status quo, making everyday challenges even greater for the people we have a duty to protect.

The Cabinet Member for Housing reiterated the Leader's comments, saying CBC's priority is to make sure it continues to provide excellent services for tenants and leaseholders. It remains committed to strengthening the tenant voice, and the report to Cabinet explains the proposal to create and consult on a new tenant offer, with greater influence on how housing services are delivered now and in the future. Consultation with tenants is key, and the intention is to commission an independent organisation at the beginning of the transition period to engage with tenants and leaseholders. This bold approach in pressing times will benefit tenants and the

wider community, rather than risk the possible outcome of having the reduce services to those who need them most.

The Chief Executive addressed the concerns about how staff were briefed about the matter, acknowledging that it was good to challenge the process, but important to state that the meeting with CBH colleagues followed previous meetings with the CBH Chair and Board, and was not without their agreement.

He said the 2021 and 2023 reports were part of a journey with all parties engaged in the process, but realised that the prospect of change is always worrying; CBC had to consider carefully the right time to inform CBH and CBC colleagues who would all be impacted, at a point before the information reached the public domain. Officers went through various options, and in an ideal world, a face-to-face meeting of all staff would have been preferred, but in reality a compromise had to be reached and the chosen route was agreed.

He added that this is not the end of the process – while the majority of posts are unaffected, he has subsequently attended a CBH colleague day, set up informal meetings, and made himself available for questions and concerns. The official processes are yet to start, and he welcomes any challenges, but deciding on the best time to inform staff ultimately came down to a matter of judgement. He said he cared deeply about CBC staff and all colleagues across CBH and Publica who do a fantastic job. It is critical that everyone feels valued, that their hard work is recognised, and they are supported as well as they can be to ensure they continue to thrive.

Member comments

There were no questions from O&S Members concerning the response to the call-in, although Councillor Nelson said that while she understood the balanced approach and was not disputing the underlying justification, it was the way it was handled and in particular the media release that was the problem – it appeared to be a done deal and had set hares racing.

The following points were made by Members:

- it has been suggested that the decision was pre-determined, but it had been in the Forward Plan for some time – it is important that Members keep an eye on this - and all Members had the opportunity to ask questions at the Council meeting on 17 October;
- call-ins are normal practice in local government – they are not criticisms, but form part of the important public examination of issues;
- the Forward Plan doesn't include detail of the items, and Members are not often in a position to call them in until that is known. It is only when the decision is made and the detail known that Members may want to call it in, and this then has to be done within an urgent timeframe.

Member questions and responses

Members of the call-in group had received responses to their written questions and these were taken as read.

The following questions were put by Members:

- i. Question: Will CBC or the CBH Board take the final decision?

Response from the Leader: The intention is to work with the CBH Board throughout the transition period, and the decision will be made by mutual consent by the Leader or the Board

- ii. Question: The Campbell Tickell report suggests that residents weren't consulted. Is that the case?

Response from the Chief Executive: There was no tenant consultation on the second Campbell Tickell report, but the Cabinet recommendation states the intention that consultation will be part of the process going forward. A third party organisation will carry this out with more rigour, and this demonstrates that CBC is taking the consultation with tenants and leaseholders very seriously.

- iii. Question: The call-in ignores the context and need for urgency in this area, with a recent survey suggesting that 52% of councils don't expect to balance their books in the face of government spending cuts and financial pressures. The opportunity to make a £2m saving plus £600k in management efficiencies is important, but could more time have been taken over the decision?

Response from Cabinet Member for Finance and Assets: The stark reality is that we have to make tough choices to continue providing services, and cuts are needed to do this. A lengthy consultation was carried out in 2020, including full engagement with tenants and staff, but in view of the current financial situation, we need to make decisions in a timely manner, and the inclusion of consultation as part of the process going forward is considered a different way to get to the same end result.

- iv. Question: Is there any evidence that tenants are unhappy with the proposed consultation process?

Response from the Chief Executive: The council wrote to every tenant and leaseholder, setting out its intentions and providing contact details. There has been no indication so far that tenants are not happy, just some tenant questions via the local MP's office. It is important that the council engages with tenants and leaseholders throughout the process. The Leader attended the CBH AGM recently and spoke with the tenant representatives on the board – neither raised any concerns at that time;

- v. Question: Has there been any consultation with the unions about the process, and do they have any concerns?

Response from the Leader: CBC takes pride in its good working relationships with unions, and there have been conversations between the unions and CBC's

governance officer and HR team. They are supportive of the move in principle, particularly with the main message being that most jobs are secured.

- vi. Question: While Members were told that no decision had been made, a press release the day after Cabinet stated that the decision had been made to take back control of managing the housing stock – could this be clarified?

Response from the Leader: We cannot have uncertainty when managing people and their lives. It is the council's clear intention to take CBH back in house. We are at the start of the journey, and there will be consultation on future housing services, taking into consideration the huge impact on and input from tenants, leaseholders and all Cheltenham residents. Until the final decision is made to wind up the company, CBH will remain in existence.

Summing up – Call-in group

Councillor Harman said this decision had been brought here today for scrutiny, and hopefully the answers have helped with the process, but in reality, the decision has been taken and we must take the tenants with us. They are not necessarily cognisant of what the changes will mean to them, and ward members need to listen and work with them, help them through the process and continue to ask questions, which may be difficult at times.

Summing up – Decision Maker

The Leader returned to the fact that tenants will always be at the heart of decision-making, as are all the residents of Cheltenham, and recalled similar concerns about staff when CBH was set up in 2003 and staff needed to be transferred from CBC

Recommendations

The Chair invited any Members to move any of the four recommendations set out in the report.

Councillor Harvey echoed Councillor Harman's comments about openness and the call-in being part of the democratic process. He moved the accept Recommendation (a): *support the decision without qualification or comment, in which case the decision can be implemented immediately*; this was seconded by Councillor Tooke.

Councillor Nelson felt that an Overview and Scrutiny Task Group should be created to look at all options, and proposed Recommendation (d).

The Monitoring Officer advised that motions must be taken one at a time, and enquired whether Councillor Harvey would be prepared to accept the setting up of task group as part of his recommendation. Councillor Harvey rejected the amendment and therefore the committee proceeded to the vote on accepting Recommendation (a): Support the decision without qualification or comment, in which case the decision can be implemented immediately

Vote on Recommendation (a): Support the decision without qualification or comment, in which case the decision can be implemented immediately

6 in support

3 in objection

1 abstention

APPROVED

Councillors Nelson moved that a scrutiny task group be set up, whose role would continue throughout the consultation and transition period. This was seconded by Councillor Harman

The Leader said she would be happy to attend O&S meetings to update on progress.

Vote on Councillor Nelson's move to set up an O&S Task Group

5 in support

5 in objection

CARRIED with the Chair's casting vote

It was agreed that the membership of the group would be agreed outside the meeting.

15 Minster Exchange

Consideration of this item was postponed until the next meeting.

16 Date of next meeting

20 November 2023.