

Cheltenham Borough Council Overview & Scrutiny Committee Minutes

Meeting date: 15 January 2024

Meeting time: 6.00 pm - 7.45 pm

In attendance:

Councillors:

Tabi Joy (Chair), Steve Harvey (Vice-Chair), Graham Beale, Nigel Britter, Jackie Chelin, Stephan Fifield, Tim Harman, Stan Smith and Suzanne Williams

Also in attendance:

Gareth Edmundson (Chief Executive) and Claire Hughes (Corporate Director and Monitoring Officer)

1 Apologies

Councillor Tooke sent apologies.

2 Declarations of interest

There were no declarations of interest.

3 Minutes of the last meeting

The minutes of the meeting held on 20 November were approved as a true record and signed accordingly.

4 Public and Member questions, calls for actions and petitions

There were none.

5 Cabinet Briefing

The Leader said she would update Members on the CBH transition later in the meeting, There is going to be an open day at the Municipal offices on the 22nd

January for agents interested in helping the Council on its journey towards the sale of the Municipal Offices, and reported that there has been an unprecedented number of interest.

Publica has said goodbye to Jan Britton and the shareholders have agreed Frank Wilson will be acting up as managing director they have also appointed a new chair of the board and welcomed Christine Gore my thanks to Sally the outgoing chair.

6 Matters referred to committee

There were none on this occasion.

7 2024/25 General Fund and HRA Budget proposals - Budget Scrutiny Working Group response

The Chair invited Councillor Harman, who attended the recent Budget Scrutiny Working Group meeting, to share with Members a brief summary of what was discussed.

Councillor Harman said many issues were raised at the meeting, but highlighted the following concerning the HRA budget proposals:

- with CBH's imminent return to CBC, Stafford Cruise, Head of Finance at CBH, gave a useful and helpful presentation, and answered Members' questions. One concerned the energy sustainability retro-fitting of houses to improve energy consumption, and the investment in a five-year kitchen renewal and upgrade programme, which will influence the budget going forward;
- the fact that a lot of rents and social rents below market rents influences what is possible was discussed;
- other impacts of the transfer of CBH to CBC on the overall budget will be discussed later in the meeting.

There were no Member questions. The Chair thanked the Budget Scrutiny Working Group for their input and commitment.

Moving on to the 2024-25 General Fund budget proposals, Councillor Harman made the following points:

- his group recognises the challenges all councils are facing at present, but is slightly concerned that general balances are due to fall below £1.5m, which is the figure the council aims to maintain. This may be pursued further by Members;
- he would not go into detail about the huge challenge of the cyber park debate, welcoming the £20m government funding which will help deliver the scheme, saying that in principle, he believed there is cross-party support for proposals and comments are made in the spirit of a critical friend, but recognising that there are challenges to the council regarding finance;
- he noted some assumptions around revenue and savings, and questioned the confidence that the EV charging scheme will bring £50k income when there are elements out of CBC's control, such as guaranteed electricity supply;

- the same applies to bringing CBH back in house – savings are forecast, but there is no guarantee that these will be delivered – and income from profits around the MX project, which has been significantly delayed and may come up against further issues;
- assumptions around selling assets into the capital programme are also challenging;
- he suggested that now was the time to raise and scrutinise any concerns anyone may have about budgets and the assumptions on income.

The Chair invited Members to put any questions to the executive directors who were all present at the meeting.

In response to Members' questions, the Executive Director for Finance, Assets and Regeneration confirmed that:

- despite the difficult financial climate due to Covid, cost of living and high inflation, and many councils facing 114 notices or government scrutiny of their finances, he anticipates CBC presenting a robust and balanced budget at February Council. It is clear that with a pay award of 6.5% over two years and a council tax increase of 3% that financial savings and difficult decisions have to be made, particularly as the administration is on record saying that its first priority is not to cut services if a more efficient and streamlined way can be found to deliver those services within the constraints of the financial envelope;
- when he writes his independent Section 25 report, a key recommendation will be that, in view of the council having to draw on reserves in the last couple of years, leaving them less healthy than he as S151 officer would like, the first call on any fortuitous income or underspends must be to strengthen and replenish reserves;
- still on the question of how cash reserves may be rebuilt to a safer level, and the assumptions in the budget about additional income, efficiency savings in many areas will be presented in the report, and there are other factors to be taken into account. Interest rates are probably at their height now and will fall towards the end of the year, delivering incremental savings. The proposed budget is prudent assuming interest rates remain at 5.25%, so any reduction will be good for in-year budget savings;
- looking at long and medium-term financial planning, when he took on the role of S151 officer, the council's share of the Local Government Pension Scheme (LGPS) was about 60% funded; at its last revaluation in March 2022, it was 101% funded, and the CBH portion funded by the council is 120% funded. Since the last valuation an uplift in a number of asset categories, such as government gilts – 2% in 2022, now 5% - has had a huge impact on the assets in the LGPS;
- in terms of the overall funding of the Gloucestershire LGPS, of which CBC and CBH are two participants, he believes this has risen from 110% to 150% funded in the last 18 months, and is confident that we will see significant reductions in contributions post-2025, leading to a fortuitous windfall to increase reserves.

There were no further contributions, and no decision was needed on this item, but the Chair summarised by saying it had been a challenging year, and recommending that Members read the Budget Scrutiny Working Group minutes to be kept up to date. She confirmed that the Green Party had no plans to propose an alternative

budget this year, in view of the financial crisis and geo-political instability, saying that the most important thing was to get through the year and prioritise everything that we need to. She thanked officers for their difficult work, saying that we are lucky to have a council which is prudently managed, and that it pays to be cautious and continue on course.

8 Business Continuity

The Corporate Director and Monitoring Officer presented a summary of Business Continuity arrangements, which sets out how the council will maintain and recover critical business services in the event of a major incident – not only cyber-related but also, for example, any loss of the building, pandemic, or disruption in the supply chain. She said each service already has its own plan, and has been looking at prioritising its services, and these updated service-level plans will be used to create a more comprehensive template.

She said the next stage will be to create a Business Impact Analysis, to look at the whole business, understand the potential impacts and risks, and try to make pre-emptive decisions on the best way to respond. These decisions will be captured in the high-level Corporate Recovery Plan which includes setting up a corporate recovery team, and how to redeploy staff to different areas.

A lot of work has already been done on the cyber side of the Business Continuity Plan, and a timetable in the report sets out how we will review other areas, with a view to completing the plan by the end of February and then starting to develop the Corporate Recovery Plan. After the election and in line with best practice, a test of the plans will be scheduled, to check that they work. She will keep Members updated on progress.

In response to Member questions the following responses were given :

- CBC was part of a county wide business continuity group which provided opportunities for sharing best practice
- A good level of assurance was received from a recent cyber audit
- In terms of emergency planning, CBC fed into the Local Resilience Forum to ensure it was compliant with civil contingencies and through this Forum would be able to access mutual aid in the event of an emergency. There was confidence that CBC could manage in the event of two civil emergencies occurring simultaneously.

Members recognised the internal audit opinion of the robust ICT service delivered by Publica in its effort to keep the council's systems safe. Lessons could be learned from the incident experienced by Gloucester City and reference was made to a report submitted to its O&S committee which would be circulated to Members for information. (ACTION BT).

The Monitoring Officer presented a summary of Business Continuity arrangements, which sets out how the council will maintain and recover critical business services in

the event of a major incident – not only cyber-related but also, for example, any loss of the building, pandemic, or disruption in the supply chain. She said each service already has its own plan, but we are looking to update these having developed a more comprehensive template.

She said that once all the service level plans had been reviewed the next stage will be to create a Business Impact Analysis, to look at the whole business, understand the potential impacts and risks, and try to make pre-emptive decisions on the best way to respond. These decisions will be captured in the high-level Corporate Recovery Plan which includes things like setting up a corporate recovery team, and how to redeploy staff to different areas.

The timetable in the report sets out the proposed timescale for the review. After the election and in line with best practice, a test of the plans will be scheduled, to check that they work. She will keep Members updated on progress.

In response to Member questions the following responses were given :

- CBC was part of a county wide business continuity group which provided opportunities for sharing best practice
- A good level of assurance was received from a recent cyber audit
- In terms of emergency planning, CBC fed into the Local Resilience Forum to ensure it was compliant with civil contingencies and through this Forum would be able to access mutual aid in the event of an emergency. There was confidence that CBC could manage concurrent events.

Members recognised the internal audit opinion of the robust ICT service delivered by Publica in its effort to keep the council's systems safe. Lessons could be learned from the incident experienced by Gloucester City and reference was made to a report submitted to its O&S committee which would be circulated to Members for information.

9 LGA Peer Review Action Plan

The Chief Executive introduced the report on the peer challenge action plan reminding Members that this had not been an inspection, rather an invitation for peers to spend time at the council and make recommendations for improvement. A positive report had been received suggesting that the council was on the right track but a series of recommendations had been made. Good progress had been made in most areas. In terms of those recommendations rated amber, work was still ongoing on the scenarios within the councils targets but he highlighted that the achievement of some savings targets was subject to external factors. Savings targets identified were predicated around the transition of Cheltenham Borough Homes (CBH) housing services back to CBC.

Also rated amber was embedding CBC culture. In his view, this was a constant. Recognising that the HR team were currently focussing on the transition with CBH some resource had been engaged at culture. Bringing CBH back in house was a

significant change with 200 staff set to join the existing 250 employees at CBC. He suggested that O&S may wish to consider this in the medium term in terms of how this had been implemented and reviewed.

This did not concern CBH adopting to CBC's way of working but creating a new organisation with a new organisational culture.

In terms of the general overview CBC had created capacity and now had the strength and commitment to progress the actions given.

Members welcomed the support network in place during the transition phase. It represented an exciting opportunity to enrich the culture and it was hoped this work could be reported to the Scrutiny Task Group CBH-CBC Transition.

In response to Member questions the following points were made :

- The CEX was happy to update O&S on further progress later this year
- The Peer Team would be back at CBC in March this year to consider progress against the delivery of the recommendations.
- Following the COVID pandemic operational front facing staff who did not have the ability to work from home remained dedicated and continued to deliver for residents and businesses.
- The pandemic put modern family pressures and commitments to the fore and a supportive employer now provides the flexibility for employees to work in a hybrid way. That said the value of personal interactions to engage and collaborate remained and more informal settings to encourage such engagement were being created to provide such opportunities as opposed to meeting in a traditional office setting. It was also recognised that new starters could often feel isolated at home so the focus was on enabling more face to face interactions in this respect.
- Whilst Teams and similar platforms were effective and efficient from a carbon perspective, colleagues were trusted to know the meetings where it was important to collaborate in person. So all the benefits from online working were taken but face to face was retained when needed.
- The organisation had an inclusive approach and responded to requests from staff with health conditions which prevented them coming into the office on a case by case basis in order to support them
- The Equality, Diversity and Inclusion strategy was due to be considered by scrutiny in February. The first meeting of the employee group on Equality, Diversity and Inclusion is taking place this week in order for staff to directly contribute to the development of the policy and action plan. O&S would have the opportunity to consider this at its meeting in February. Following this, the intention was to take out to wider consultation with community groups, including those harder to reach.

Members welcomed the update and looked forward to receiving a further update in due course.

10 Feedback from other scrutiny meetings attended

These were noted where supplied.

11 Updates from scrutiny task groups

In the absence of the Chair of the Scrutiny Task Group, the Chair explained that she had recently attended as substitute and would provide a brief update to Members. Firstly, she invited the Leader to provide her update. The Leader explained that the CBH consultation is now live with the first face to face sessions taking place in Hatherley the previous week. She reported that the number of responses received so far via email is currently 308.

The closing date is the 11th February and she requested Members to both encourage residents to respond and to also share social media releases. She then informed the meeting that Campbell Tickell met with the Tenant Scrutiny Improvement Panel on Friday and had a positive session. The new Interim Director for Housing Transformation started last week and he was keen to meet staff and understand the needs of the business.

The Chair reported that the Scrutiny Task Group had held three meetings including one with Campbell Tickell, prior to the launch of the consultation, and one with a CBH Board Member (Tenant Rep) and the Governance and Business Assurance Manager for an overview of CBH Governance. The next meeting is scheduled for the end of the month where the group will have the opportunity to meet the Interim Director for Housing Transformation. She noted the new housing regulations which would be coming into force in April and the increasing connection of the Housing Ombudsman to ensure compliance. The group would also consider those ALMOs who were operating in a similar capacity so this could be used as a point of comparison. She welcomed the fact that a CBH Tenant Rep Board Member had been co-opted on to the task group, this was very valuable.

Finally, she expressed her confidence that CBC would maintain the high standard already set in the operational management of housing delivery.

12 Review of scrutiny workplan

The workplan was noted.

13 Any other item that the Chair determines to be urgent

There were none.

14 Date of next meeting

26 February 2024

15 LOCAL GOVERNMENT ACT 1972 - EXEMPT INFORMATION

RESOLVED THAT

“in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 3, Part (1) Schedule (12A) Local Government Act 1972, namely:

Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information)

16 Gloucestershire Airport Limited (GAL)

Jason Ivey, Director of GAL, and Angela Madigan (GAL Head of Finance) gave Members a presentation, the slides of which had been circulated in advance of the meeting.

Members were able to ask questions of GAL and responses were provided.

The Chair thanked GAL for their input and looked forward to continued partnership working.