

Cheltenham Borough Council

Cabinet - 26 January 2021

Strategic Housing Review

Accountable Member	Cllr Peter Jeffries, Cabinet Member for Housing
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Accountable officer	Chief Executive, Gareth Edmundson
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Executive summary

Covid-19 has challenged Cheltenham in a way that has not been seen since the Second World War. The impact of the global pandemic has had a fundamental and lasting impact on Cheltenham Borough Council. Covid-19 has had far reaching implications for how residents, businesses and customers interact with and access services from the Council and its partner organisations.

Cheltenham Borough Council's Place Vision, Corporate Plan and Recovery Strategy and subsequent Covid-19 recovery budget set out priorities that aim to have a truly transformational and positive impact for everyone in our borough. We aim to solidify Cheltenham's position as the Cyber Capital of the UK with the Golden Valley development delivering new businesses, housing and jobs to the borough. We want to make a £180m investment providing new and affordable homes and support Cheltenham's unique cultural offer and build on its international reputation. Alongside this ambitious and pioneering programme, we have strengthened our commitment to becoming net carbon zero by 2030 and harnessing the opportunities across the council, our partners and in community to ensure that we deliver inclusive growth, provide opportunities to all and ensure no child is left behind.

Housing services will have an integral part in the future of Cheltenham and make a fundamental contribution to the delivery of this pioneering agenda. In this context it was appropriate that an independent housing service review was undertaken to ensure that the Council is best placed to meet its current and future ambitions.

Cheltenham Borough Homes (CBH) is recognised as delivering a high quality and well regarded service by its customers. Following an independent review, this report requests that Cabinet endorses the key recommendation to retain CBH as a the Council's Arms-Length Management Organisation (ALMO) and embarks upon an ambitious programme that will explore and implement potential opportunities identified within the Campbell Tickell report to evolve and strengthen the partnership between CBC and CBH to achieve shared ambitions, drive better outcomes and help everyone to thrive.

Recommendations**That Cabinet**

- 1. Note the Independent Strategic Housing Review Report provided by Campbell Tickell (Appendix 2)**
- 2. Agree the key recommendation within the Campbell Tickell report to retain Cheltenham Borough Homes (CBH) as the Arms-length Management Organisation (ALMO) as the model of housing service delivery for Cheltenham Borough Council (CBC).**
- 3. Delegate authority to the Managing Director for Place and Growth in consultation with the Cabinet Member for Housing and CBH to review and establish appropriate governance for an ambitious transformation programme that will seek to:**
 - a. Implement identified opportunities within the Campbell Tickell Report and subsequently by CBC and CBH that will evolve and strengthen the partnership between the Council and the ALMO to deliver improved outcomes for CBH tenants, customers and Cheltenham's communities.**
 - b. Deliver annual efficiencies for reinvestment and/or savings of up to £487K by the end of the financial year 2023/24 while requiring £175K of transformation costs.**
- 4. Delegate authority to the Managing Director for Place and Growth in consultation with the Cabinet Member for Housing to update the current CBH Management Agreement, HRA Business Plan and associated documents to:**
 - a. Deliver a strong partnership that enables the delivery of shared corporate priorities and a high quality service.**
 - b. Support the implementation of identified opportunities and efficiencies set out within the CT report and identified by CBC/CBH.**
 - c. Support the implementation of the CBH Board Effectiveness review**
 - d. Allow for appropriate monitoring of delivery against priorities and milestones**

<p>Financial implications</p>	<p>Section 8 of the report details the indicative efficiencies that are achievable through retaining CBH and implementing measures to strengthen the partnership. Transition costs of up to £175K have been identified to deliver efficiencies. Some of this may need to be forward funded to enable the efficiencies to be delivered. HRA balances will be used for necessary forward funding.</p> <p>Ring-fencing of the HRA will be a key consideration and the workstream allocated to efficiencies and savings will ensure that this is monitored and full compliance is maintained with relevant regulations.</p> <p>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk</p>
<p>Legal implications</p>	<p>The current Management Agreement between the authority and CBH is dated 1st April 2015 and expires on 31st March 2045 unless terminated earlier through the exercise of break clauses in 2025 and 2033. These break clauses are subject to written notice of any review which could lead to termination being served on CBH prior to 31st October 2023 and/or 31st October 2033 as well as 12 months prior written notice.</p> <p>Legal support will be provided throughout the transformation programme as appropriate.</p> <p>Contact officer: legalservices@tewkesbury.gov.uk, 01684 272017</p>
<p>Property & Assets Implications</p>	<p>The proposals set out in this report could have a range of potential implications including the sharing or co-location within property and assets. This will be considered and managed through the governance set out in the report.</p> <p>Contact officer: Dominic Stead, Dominic.stead@cheltenham.gov.uk</p>
<p>Environment and Climate Change Implications</p>	<p>The Campbell Tickell report includes a number of recommendations that will have a positive impact on reducing carbon emissions and tackling climate change. Consideration of climate change has been embedded within the governance proposed within the report.</p>
<p>HR implications (including learning and organisational development)</p>	<p>This report highlights a number of measures that may have HR implications. HR will play an active role in the governance of the transformation programme to ensure that change is appropriately managed and that necessary process, consultation and engagement with employees and stakeholders is embedded within any change process.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@publicagroup.uk, 01242 264355.</p>
<p>Key risks</p>	<p>See appendix 1</p>
<p>Corporate and community plan Implications</p>	<p>The proposals within this report aim to strengthen and expedite the delivery of a range of priorities found within CBC's Place Strategy, Corporate Plan and Recovery Strategy.</p>

1. Introduction & Context

- 1.1. Cheltenham Borough Homes (CBH) has operated as a successful Arm's Length Management Organisation (ALMO) since 2003 and has owned its own homes as a registered provider since 2011.
- 1.2. CBC and CBH have established a successful and lasting partnership which has resulted in CBH recently achieving a 90% satisfaction rating amongst customers. In the last year, CBH has also undertaken a governance review and is currently reviewing and implementing actions from that review.
- 1.3. Covid-19 has challenged Cheltenham in a way that has not been seen since the Second World War. The impact of the global pandemic has had a fundamental and lasting impact on Cheltenham Borough Council. In November, the Council unanimously agreed a Covid-19 recovery budget to respond to the funding challenges created by the pandemic which saw demand and costs increase while critical income streams, directly used to fund core services, reduce. Beyond safeguarding the Council's financial position, Covid-19 has had far reaching implications for how residents, businesses and customers interact with and access services from the Council and its partner organisations. Experiencing months of restrictions to control the spread of the virus has encouraged a more agile culture within the Council and its partners. There has been a rapid and lasting shift to online and remote solutions while the extensive volunteer effort to support vulnerable residents has underlined the capacity, strength and cohesion within the community and third sector.
- 1.4. In addition, the UK's exit from the European Union and the evolution of UK's trading relationships will add further uncertainty and potentially present both challenges and opportunities to the local and national economy.
- 1.5. Despite the scale of these short, medium and long-term challenges, both CBC and CBH retain significant corporate ambitions. This includes the shared strategic aims of progressing the Golden Valley development to the West of Cheltenham to solidify Cheltenham's position as the Cyber capital of the UK and a £180m investment programme in homes within the borough. Furthermore, both the Council and CBH have a shared endeavour to ensure that the benefits of future growth is inclusive, delivers benefits for everyone in Cheltenham and helps to raise opportunity and reduce poverty for children.
- 1.6. The existing partnership between CBC and CBH has undoubtedly delivered success and it is widely recognised that CBH provides a high performing and well-regarded service. However, the unique challenges and opportunities presented in 2020, combined with the scale of the shared ambitions, demonstrated that it was important to undertake an independent review of housing to ensure that the Council is best placed to achieve its corporate priorities going forward and meet the current and future needs of Cheltenham borough.
- 1.7. While the response to Covid-19 had undoubtedly placed significant extra demands on both CBC and CBH, it was felt that a review could be completed without any detrimental impact to core service provision or affect capability to respond to any further or changing demands created by the global pandemic.

2. Independent Review & Partnership Approach

- 2.1. It was agreed from the outset that a review of the housing service would be jointly commissioned by CBC and CBH and that an external provider would be best placed to provide a genuinely independent viewpoint to add maximum value to both organisations.
- 2.2. In 2018 Campbell Tickell (CT) worked with CBH to provide a governance review of the organisation and provided a series of recommendations for CBH to review and implement. In addition, Campbell Tickell have previously undertaken work for CBC Overview and Scrutiny and for CBC partner organisations gaining extensive knowledge of Cheltenham and its governance. CT are also highly respected specialists within the housing sector.
- 2.3. Due to their existing knowledge of CBH gained from previous work, combined with their bespoke housing expertise, Campbell Tickell offered both the specialism and best value for money option to CBC/CBH to fulfil the requirements of a meaningful review.

3. Scope

- 3.1. The scope of any strategic review is critical to inform the extent of the options to explore. When reviewing options for housing provision there are broadly three core options available to local authorities:
 1. In-house
 2. Arms-length management organisation (ALMO)
 3. Large scale voluntary transfer
- 3.2. From reviewing the Administration's priorities and CBC's corporate objectives, particularly those relating to the Golden Valley programme and commitment to delivering significant housing investment, it was concluded that the option of a stock transfer should be ruled as out of scope from the outset as it did not align with the strategic ambitions of the council.
- 3.3. Therefore the core scope for Campbell Tickell to review included two primary options to explore. However, to recognise the extent to which the existing ALMO partnership had performed well for the Council to date, it was concluded that a particular focus of the review should concentrate on identifying opportunities for how the relationship could evolve, strengthen and deliver better outcomes for the borough's communities and better support achieving shared corporate priorities going forward.
- 3.4. The option of bringing the service back in house was left in scope as an important means to provide a viable alternative comparator from which to test and measure the success of the existing partnership and identify areas for improvement.

4. Outline Brief

- 4.1. CBC/CBH worked jointly to develop and finalise an outline brief for CT. This included:
 - Programme of joint meetings through July-September 2020
 - Review of strategic documents and outcomes by CBC and CBH
 - Information gathering, including relevant financial information and performance data
 - Initial identification of potential areas of opportunity/exploration

- 4.2. The brief for Campbell Tickell included the following broad areas to explore and review:
- **People & services** – identifying areas to strengthen skills, resilience, maximising efficiency and delivery of outcomes
 - **Assets, regeneration**– e.g., opportunities to expedite and improve the delivery of key housing projects and schemes including bringing about a step change in affordable and regeneration delivery whilst also seeking to enter into the private rented and private for sale market. Other areas of potential benefit should also be included if identified.
 - A review of the ALMO as primary provider of housing management services to the Council. This review will include comparative/benchmarking analysis on the delivery of these services including performance, satisfaction and costs.
 - A review of the level of service delivered as compared to requirements in the management agreement, HRA business plan, statutory responsibilities and good practice in the sector.
 - A high level review of CBH's revised business plan and assessment of the 11 priorities therein and their alignment to CBC's corporate aims
- 4.3. Key areas that the review aimed to be measured against were suggested to CT as follows:
- Delivering efficient high quality housing services that are rated highly by customers and deliver value for money
 - Adding value to existing housing customers
 - Financial resilience and sustainability of both the General Fund and HRA
 - Efficient and strategic use of management and staff, overhead costs and support services to benefit both the Council and the ALMO
 - Ability to deliver wider strategic outcomes, particularly present in Cheltenham's Covid-19 Recovery Strategy, Corporate Plan and Place Vision

5. Independence & Engagement

- 5.1. Integral to the brief was that the review would be maintaining independence; therefore, within process of developing a report, CT provided joint briefings to both CBC and CBH to ensure that both organisations were not given preferential access or advance knowledge of findings.
- 5.2. In addition, it was identified that in order to complete a meaningful and rounded review that stakeholder engagement would be essential. Example of stakeholders included in engagement is as follows:
- CBH/CBC employees
 - Councillors, including Leader, Cabinet Members and Group Leaders
 - CBH tenants and CBH Board members

6. Campbell Tickell Report

- 6.1. Following background research, engagement and draft report writing in October and November 2020, Campbell Tickell completed a final draft report on the 17 December.

The full Campbell Tickell Report can be found in **Appendix 2**.

6.2. However, key excerpts taken directly from the CT report executive summary setting out key findings and conclusions from the report are as follows:

- 6.2.1. CBH is a focused housing management organisation with a committed team that is widely perceived by stakeholders as delivering effectively on the ground in an increasingly challenging operating environment. Tenants trust and value the services provided and CBH benchmarks highly against its peers with regards overall satisfaction with the service provided and also in terms of value for money for the rent they pay.
- 6.2.2. The condition of the stock managed by CBH is well understood and investment needs appropriately modelled and accommodated within the HRA Business Plan.
- 6.2.3. The impact of becoming carbon neutral by 2030 is yet to be fully modelled, financing agreed, or a delivery plan formulated. This is an opportunity that can be progressed.
- 6.2.4. CBH has delivered a range of regeneration and affordable homes schemes and has made spot purchases of homes to offset right-to-buy losses. However, CBH needs to expedite the delivery of the 500 affordable homes in its pipeline. With the right skills investment CBH could be equipped to become the Council's developer of choice.
- 6.2.5. HRA cash flows are projected to be sufficient to meet the investment needs of the existing stock, as well as supporting the delivery of a programme to build more than 500 new homes. The HRA is projected to remain in balance over the 30 year plan.

Option 1: Retain CBH

- 6.2.6. We estimate the annual operational savings achievable through adopting this model to be worth £397k and with management savings worth £90k. However, stakeholder priorities will determine the balance to be struck between the level of savings made, and how available resources are reinvested in growth, capacity building or sustaining service quality. The strength of this option is that it maintains continuity and avoids any possible loss of focus, whilst building on the service strengths and community connections promoted by CBH.
- 6.2.7. Opportunities within a future CBC/CBH partnership, underpinned by an updated Management Agreement and CBH Business Plan, include:
 - A more closely and strategically aligned remit for CBH
 - A reinvigorated Partnership Framework
 - A Target Operating Model that maximises the potential of digital self-service and delivery processes, effective neighbourhood working, co-working and shared service opportunities with CBC
 - A refreshed Service Offer to tenants,
 - An agreed Community Development and Investment Framework based on community asset mapping and to support a whole system approach in Cheltenham;

- A more commercial approach that delivers income through provision of services beyond the Council
- A Partnership Offer to be defined within three months, will set out agreed efficiency targets and transformation priorities

Option 2: Return the service to Council control

- 6.2.8. The rationale for returning the ALMO to Council control is that it would provide CBC with direct control of a critical service at a time when it is seeking to transform the way it delivers services, to invest substantially in both new and existing Council homes and to make best use of scarce resources. This option would:
- Enable direct control and coordination of services, critical programmes & priorities, community development and investment
 - Create management efficiencies and reduce ALMO operating overhead
- 6.2.9. Bringing the service in-house would remove the majority of the ALMO management overhead and potentially save £331k p.a., plus overheads of £650k. The cost of transition is estimated to be £1,000k. These figures are inclusive of the potential savings identified under the Retain option, and also allow for the new senior management structure within CBC that would be required to ensure effective transition and ongoing management of the housing stock.
- 6.2.10. Tenants must be consulted, and the majority support the change through a Test of Opinion ballot. Staff buy-in is also essential in achieving a smooth transition and realising the anticipated outcomes. To be successful an in-house model would require:
- An Offer to tenants that is clear about the purpose of the change, a vision for the service and how it will benefit them and their communities,
 - An organisational design that will optimise the capacity and capability of the Council to deliver the new service model
 - A Transition Plan to be defined within three months, will set out agreed efficiency targets and transformation priorities,
- 6.2.11. The main risk with returning the service to Council control is loss of the momentum gained by CBH, and loss of focus, when it needs to achieve demonstrably more.
- 6.2.12. Cheltenham is facing an exceptional challenge in charting a course within an increasingly challenging and complex Covid-driven operating environment, with individuals and communities seeking opportunities to improve their life-chances, wellbeing and prosperity, and to secure a fair share of the investment being planned for West Cheltenham.
- 6.2.13. CBH has built a trusted role within communities through local focus and engagement. Stakeholders must therefore weigh up the value of this

independence against the economies of scale and a whole community approach delivered centrally through the Council.

6.2.14. Whilst the choice between the Retain and Return options lies fully with the stakeholders of Cheltenham, from our analysis of the evidence base, **we recommend that Cheltenham builds upon the ALMO partnership and retains CBH**, on the basis that:

- CBH is a strong partner, delivers high quality services and is an island of stability within an uncertain and increasingly challenging operating environment
- Working relationships are fundamentally strong
- The likelihood of achieving the ambitious goals set for Cheltenham will be far greater if built upon the strengths of the current partnership

6.2.15. Ultimately, the Council is accountable to the people of Cheltenham and in considering the future of CBH, specifically its tenants. We recommend that in proceeding with this review, the opportunity is taken to engage fully and effectively with as many tenants and local stakeholders as possible, seeking to draw people into a debate about the nature of the services delivered and their priorities for the future.

7. A Stronger Partnership

- 7.1. The CT report provided a conclusive recommendation to CBC to retain CBH and the ALMO as the housing service delivery model while exploring and delivering opportunities to enhance and strengthen the existing partnership. While their findings for the option of bringing the service in-house projected the delivery of higher levels of savings and offered the Council a more direct and fully integrated model of service delivery, it is important to balance this against the advantages in retaining the existing model and its capability of delivering for Cheltenham and its communities in the short, medium and long term.
- 7.2. Cheltenham Borough Council's Place Vision, Corporate Plan and Recovery Strategy and subsequent Covid-19 recovery budget set out priorities that aim to have a truly transformational and positive impact for everyone in our borough. We aim to solidify Cheltenham's position as the Cyber Capital of the UK with the Golden Valley development delivering new businesses, housing and jobs to the borough. We want to make a £180m investment providing new and affordable homes and support Cheltenham's unique cultural offer to thrive and build on its international reputation. Alongside this ambitious and pioneering programme, we have strengthened our commitment to becoming net carbon zero by 2030 and support and harness the opportunities across the council, our partners and the community to ensure that we deliver inclusive growth, provide opportunities to all and ensure no child is left behind.
- 7.3. Experiencing and responding to a global pandemic has highlighted the importance of cohesive and resilient communities – particularly in the capability of supporting more vulnerable individuals and families. Retaining and fostering increasing strength in the community will support an inclusive recovery from Covid-19 in Cheltenham and ensure that we deliver positive change and renewal.
- 7.4. The importance of retaining an existing partner that retains the trust of its customers

and the wider community and has demonstrated its commitment and record of partnership is best placed to continue working with Cheltenham Borough Council in achieving its priorities and shared objectives.

- 7.5. In addition, it is also important to recognise the potential risks of embarking on a fundamental change of delivery model at a time when Covid-19 presents ongoing challenges and implications for service delivery. Outside of a global pandemic, as the CT sets out, bringing a housing service in-house would need careful management and require wide-ranging consultation to agree and deliver. The current and likely ongoing impacts of Covid-19 would create additional risks to the change process and to ensuring continuity and quality of service delivery.
- 7.6. Finally, retaining CBH allows for the continuation of partnership-work with an organisation that has a dedicated housing focus and mission. This is undoubtedly advantageous in maintaining and seeking to enhance high quality housing services and the delivery of wider outcomes that are valued by customers.
- 7.7. Housing services will have an integral part in the future of Cheltenham. In this context this report requests that Cabinet endorse Campbell Tickell's recommendation of retaining CBH to allow for the evolution and strengthening of the partnership between CBC and CBH.

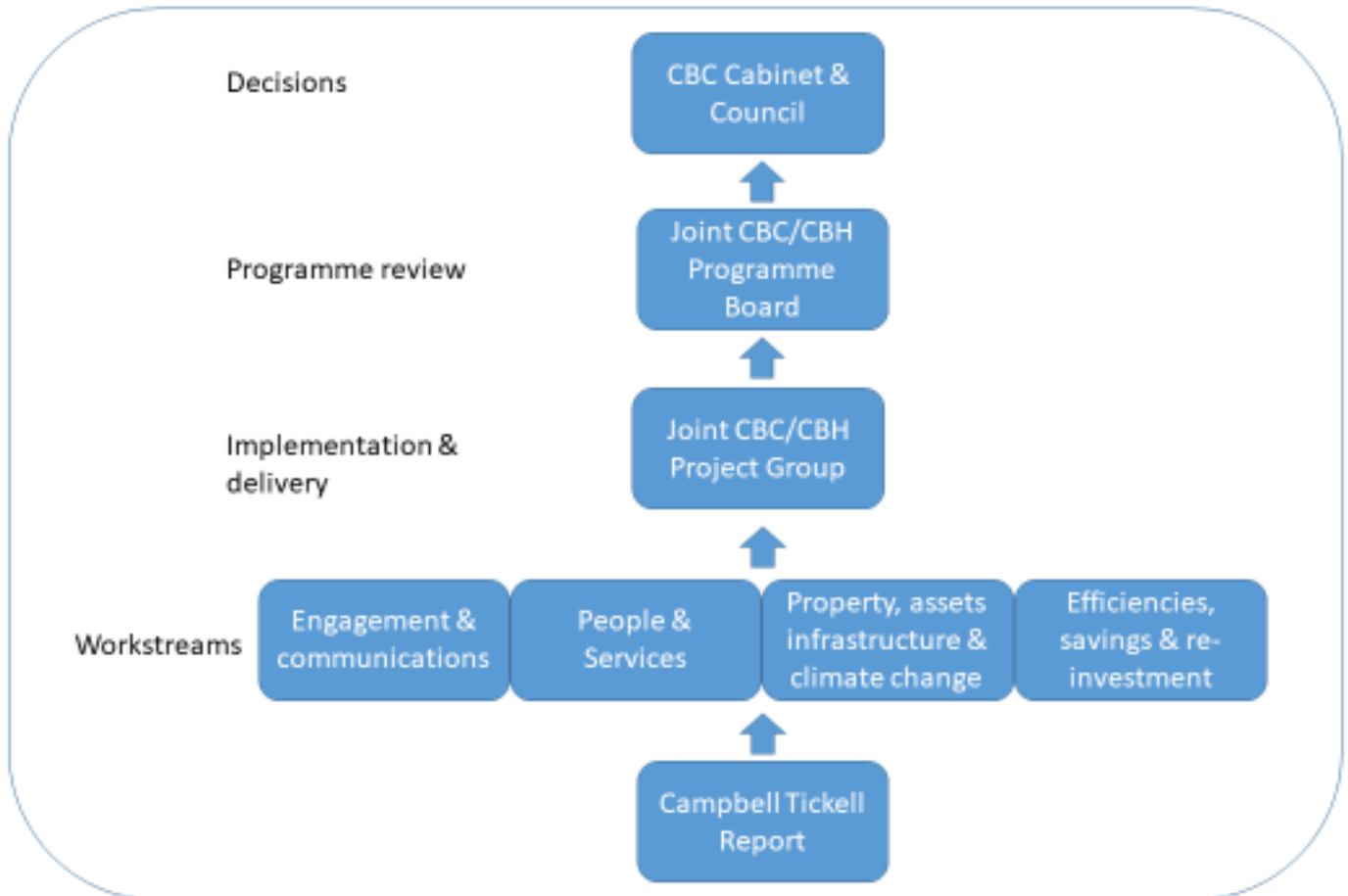
8. Delivering a Stronger Partnership

- 8.1. To capitalise on the opportunities to strengthen the partnership between CBH and CBC it is important that an ambitious transformation programme is established to implement measures that have been identified by the CT report and through partnership working between CBH and CBC.
- 8.2. It is therefore recommended that an overarching programme is created with the following elements:
 - Appropriate programme governance & workstreams
 - Finance and efficiencies
 - Risk and dependencies
 - Reporting and monitoring and realisation of benefits and outcomes

Governance & Workstreams

- 8.3. A joint programme management approach will be established for implementation. Appropriate project manager resource will be dedicated to the programme and a joint project group and programme board will be established to drive and oversee implementation. The overall programme is estimated to take 18-24 months and an initial priority will be to consider the Campbell Tickell report and develop a joint delivery plan to present back to Cabinet for agreement within 6 months. These timescales can be extended or reduced depending on rate of delivery, capacity, risks and interdependencies. A key risk that may have a significant impact on timescales is the ongoing impact of Covid-19 which is described in more detail in 8.19.
- 8.4. An outline governance diagram for the programme is set out in 8.5. It is proposed that this governance will complement and not replace existing governance structures between CBH and CBC.

8.5. Outline governance diagram:



8.6. To align with the programme brief it is proposed that the workstreams established are as follows:

- People and services
- Property, assets, infrastructure & climate change
- Efficiencies, savings & reinvestment
- Engagement and communications

8.7. Two of the workstreams (People & Services and Property, Assets & Infrastructure) mirror the outline brief to CT and will ensure that the opportunities identified within their report, and jointly between CBC & CBC, have appropriate focus.

8.8. Two further workstreams have been added. The first centres on engagement and communications in recognition that appropriate consultation and involvement of employees, stakeholders, residents, tenants and customers will be required as part of

any positive change. The second additional workstream relates to finance and to ensure that the tracking of efficiencies identified and delivered are appropriately put forward as savings or for reinvestment via business case. Each of the work-streams will have responsible leads across CBC and CBH

8.9. Dedicated project management resource in CBC and CBH will establish and oversee the workstreams and hold regular project meetings to move forward with a phased approach to delivery.

8.10. Example attendees of joint project group meetings will include where required (indicative and not exhaustive list):

- Project managers
- Workstream leads
- Finance
- CBC/CBH relevant officers/specialists
- HR
- Communications
- CBC housing commissioning team
- External and partner organisations/advice where appropriate e.g. legal

8.11. A joint Programme Board will be established to provide a strategic overview across CBC and CBH and primarily monitor and enable delivery. It is expected that the Board will review key milestones and agreed delivery plans, consider business cases, monitor risks and support the development of future council reports where necessary. The Programme Board will be led by the Cabinet Member for Housing. In addition to the Cabinet Member, example attendees of the Joint Programme Board will include (indicative and not an exhaustive list):

- CBC/CBH Executive Leadership team members or their deputies
- Project managers
- Executive support for minutes, actions and decisions
- Relevant CBC/CBH and officers from partner organisations/external advice where required.

8.12. To maintain the strength of partnership working the programme governance of the project will ensure that it complements and works with existing governance established within the CBC/ALMO model and that open and positive dialogue and attendance of meetings will be maintained and encouraged with the CBH Board and wider stakeholder forums. This is further underlined by establishing a dedicated engagement and communications workstream.

Finance

8.13. Within the CT report £487k of savings was identified as efficiencies that could be delivered via the retain option. This is comprised of £397k of efficiencies with £90k of management savings. To support and enable change a transition of cost was estimated at £175k. As reported as part of the draft Budget in December the current HRA retains robust balances. Existing financial strategy states that the HRA aims to retain balances of £1.5m. In recent years, balances have been significantly in excess of this figure. It is therefore proposed that balances are utilised for any initial up-front funding of transition prior to efficiencies being realised.

8.14. To allow for a managed delivery of the programme and to realise the efficiencies it is proposed these are phased over a 3 year period across the financial years 2021/22, 2022/23 & 2023/24. An indicative efficiencies profile is set out below:

Financial Year	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Efficiency realised	50	200	237	0	487
Cumulative	50	250	487	487	1274
One-off transition costs	-75	-75	-25	0	-175
Net cumulative	-25	150	462	487	1099

8.15. A confirmed profile of efficiencies will be updated and provided to the programme board as part of establishing the governance and launching the project and subsequently put forward as part of the Council budget setting process.

8.16. The efficiencies identified by Campbell Tickell will all be subject to existing legislation and ongoing ring-fence of the Housing Revenue Account (HRA). Some potential opportunities identified may have a shared benefit to both the Council's General Fund and the HRA. For example, if an opportunity to co-locate in a single accommodation provision is realised this may deliver shared efficiencies. A key focus of the efficiencies work stream will be to maintain the existing and thorough compliance relating to the ring-fencing of the HRA that exists.

Risks, dependencies and ongoing impact of Covid-19

8.17. Core programme milestones and objectives, including a risk register, will be established and integrated within the Council's corporate software Clearview. This system is also utilised by CBH and will provide a good platform to establish and monitor risks. An overview of risks can be found in **Appendix 1**.

8.18. The transformation programme may be reliant on partner organisations to deliver change. In addition, a stronger partnership with CBH may require some change in the way that CBC works with its partner organisations in the future. CBC retains positive and transparent relationships with all its partner organisations such as the Cheltenham Trust, Ubico and Publica. The programme will endeavour to work with partner organisations where needed to support change, harness opportunities and deliver the outcomes of the programme.

8.19. At the time of writing England remains in the third lockdown to control Covid-19. While a national roll-out of vaccinations is ongoing, a new and more infectious strain has created significant operational pressure on services and predominately in health and care settings. While an indicative profile of delivery has been set out both within

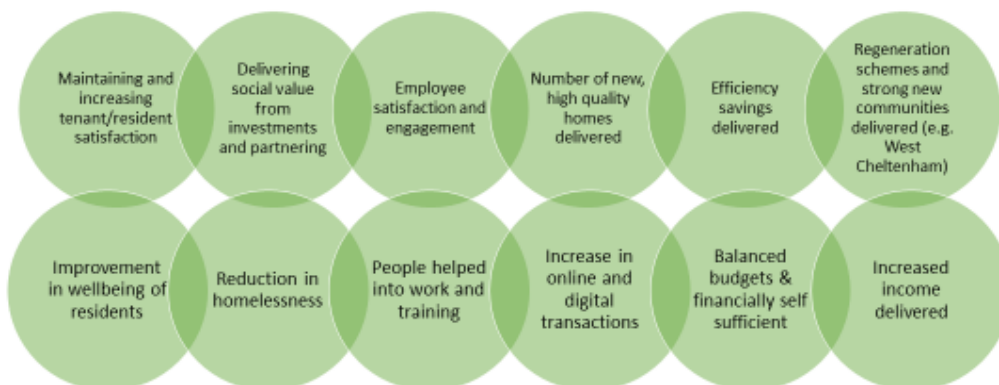
the CT report and in this report, the impacts of responding to Covid-19 remain acute and are subject to change at short notice. In addition, the mutation of the virus to become more infectious poses an increased risk to the potential resilience of services. Therefore it is important that the ongoing Covid-19 response has a key influence on the phasing and the delivery of any programme milestones and that an agile and adaptable approach is embedded.

Reporting & Outcomes

- 8.20. It is important that CBC/CBH corporate priorities are central to and embedded within the programme to retain a focus on delivering critical outcomes for Cheltenham and its communities. An initial assessment of shared outcomes to support the delivery of a transformation reveal significant alignment between CBC/CBH.
- 8.21. Suggested outcomes and measures of success can be found below:



Measures of Success



- 8.22. The programme governance above sets out a framework that will enable and

encourage transparent and meaningful reporting of progress, measure outcomes and track efficiencies.

- 8.23. In addition, the programme will set out clear processes which will allow for further decision reports to be brought forward for decision where required.
- 8.24. However the established mechanisms within the ALMO model will provide significant opportunity to monitor and report delivery.

9. Management Agreement and HRA Business Plan.

- 9.1. Prior to Covid-19, CBC and CBH were working in partnership to update the existing Management Agreement. The completion of the agreement was paused due to the response to Covid-19. The findings of the CT report provide the basis from which to revisit the Management Agreement and update the document to embody and underpin the work to strengthen the existing partnership and help the relationship between CBC and CBH to evolve. It is therefore recommended that this work is revisited and completed in the context of the CT review.
- 9.2. The CT report recommends that CBH considers and provides CBC with an updated Partnership Offer that will help to provide new impetus to drive change. Joint working in the spirit of this recommendation will be undertaken to finalise an updated management agreement between the organisations and progress to completion and approval.
- 9.3. In addition, the subsequent process to agreeing the next business plan will provide an excellent opportunity to set out key priorities and milestones that CBH can demonstrate delivery against. Existing reporting mechanisms that track the delivery and performance of CBH remain an important and integral part of making sure that identified opportunities are harnessed and delivered.
- 9.4. Prior to Covid-19, CBH were progressing the implementation of a Governance and Effectiveness review. This included ensuring that the Board has appropriate skills and succession planning in place to meet the current and future ambitions of the Council and CBH. The work to strengthen the existing partnership will provide a renewed opportunity to complete this work and to revisit the implementation of the review. A key part of ensuring that CBH remains effective will be achieved through positive recruitment and replacement of existing Board Members when their respective terms expire. It is vital that new Board members are passionate and committed and can support the CBH Executive Team, devise and drive strategy of the organisation and foster an ongoing positive, ambitious and strong relationship with CBC as the council-owner. To secure the right candidates and compete in the recruitment market, CBH were previously exploring the potential to introduce some remuneration or a stipend for Board members. As part of the work to strengthen the partnership, this work will be revisited and completed to ensure that CBH continue to have a strong and effective board.
- 9.5. It is envisaged a Management Agreement and associated documents will be completed within 6-12 months, however, as stated in 8.19 above, the ongoing impact of Covid-19 may influence the timing as to when the work to update the Management Agreement, Business Plan or associated documents such as the Articles of Association can be finalised. While the programme will endeavour to finalise and complete them in an expedited timescale, both CBH and CBC will be subject to the ongoing operational demands and redeployment to direct pandemic-response activity.

10. Conclusion & Next Steps

- 10.1. Overall, the independent report completed by Campbell Tickell underlines that the partnership between CBC and CBH has proven to be a model that delivers for Cheltenham.
- 10.2. Undertaking this review process has allowed CBC and CBH to jointly embrace, explore and identify options to strengthen the relationship between the Council and the ALMO.
- 10.3. The opportunity to update, refine and strengthen this partnership through continual evolution will have significant benefits. A transformation programme, underpinned by an updated Management agreement and business plans will deliver change that will aim to have a lasting and positive impact on the outcomes for individuals, families and communities in our borough as part of a resilient, inclusive and sustained recovery from Covid-19.
- 10.4. As the programme develops, further reports plan will be presented to Cabinet where appropriate for decision to enable and expedite change and to report on progress on delivery.

Report author	Contact officer: Gareth Edmundson, Chief Executive Gareth.edmundson@cheltenham.gov.uk
Appendices	1. Risk Assessment 2. Campbell Tickell Report
Background information	None

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-5	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	Covid-19 Response	GE/DK/SS	April 2020	5	5	25	Business continuity & pandemic planning, emergency response.	Ongoing business continuity and operational response groups established and responding to pressures. Flexible redeployment of workforce.	June 2021	GE/DK	Yes
2	Capacity and interdependencies within the CBC/CBH and partner organisations to drive change	TA/SS	Jan 2021	5	3	15	Recruitment, phased and flexible approach to delivery	Recruitment and allocation of temporary resources. Transition costs identified	September 2021	TA	No
3.	Failure to realise efficiencies and failure to be compliant with	PJ/SC	Jan 2021	5	2	10	Programme governance and tracking of identified	Establish appropriate governance and	April 2024	Dep 151/CBH Finance	Yes

	HRA ring-fence						efficiencies	monitoring of the delivery of agreed efficiencies with CBC/CBH			
4	Failure to deliver improved outcomes and benefits	TA/SS	Jan 2021	5	2	10	Effective programme governance, Management agreement and HRA Business Plan. Commissioning support to CBH	Establish appropriate governance and monitoring of the delivery of agreed opportunities and tracking of benefits	April 2024	TA/SS	Yes.

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-5

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close