

Cheltenham Borough Council
Cabinet – 12th July 2022
Stronger Working Partnership Programme – Progress Report

Accountable member	Cllr. Victoria Atherstone, Cabinet Member Housing
Accountable officer	Gareth Edmundson, Chief Executive
Key/Significant Decision	No
Executive summary	<p>Cheltenham Borough Council (CBC) and Cheltenham Borough Homes (CBH) has enjoyed and long and successful partnership. During this time tenant and customer satisfaction remains high and CBC’s housing stock of 5000 properties are well maintained through CBH and have benefited from consistent investment to maintain homes to a high standard.</p> <p>CBC has a pioneering ambition for Cheltenham Borough which includes the delivery of the Golden Valley Development. This development is expected to provide up to 600 social and affordable homes and forms part of CBC’s wider commitment to invest up to £180m to deliver new homes across Cheltenham. The previous impact of the global pandemic followed by rising inflation and a cost of living crisis poses a real threat to Cheltenham’s communities. Pushing many more individuals and families in to poverty will reduce overall health and wellbeing and increase long term health conditions that will place even more pressure on health and care services.</p> <p>In the context of these challenges, it is critical that the partnership between CBC and CBH continues to evolve so that we are in the strongest position to support tenants, customers and the wider community.</p> <p>In 2020, CBC undertook a review of housing services and commissioned a report by Campbell Tickell which provided a series of recommendations that presented opportunities as to how the partnership between CBC and CBH could be strengthened and adapted so that both organisation could maximise the potential benefits of closer working. Ultimately the overarching goal by working more closely together is to enhance the collective capacity and ability to deliver for Cheltenham’s communities while also driving efficiencies and improved value for money.</p> <p>The final Campbell Tickell Report was agreed by Cabinet in January 2021 and a programme of work was developed setting out outcomes that implement the proposed opportunities, savings, efficiencies and the ‘art of the possible’ through stronger partnership working. A further update was provided to Cabinet in November 2021 with progress made on the recommendations agreed.</p> <p>The purpose of this report is to inform Cabinet on the continued progress made in relation to the housing Stronger Partnership programme since November 2021.</p> <p>Key outcomes of the programme, which has cemented the strong strategic working relationship between CBC and CBH, include the following:</p>

- Working collaboratively, CBC and CBH are on target for delivering the £300k budgeted savings target for the General Fund. Approximately £184k has been identified relating to the appropriation of assets and approximately £50k relating to office accommodation.
- CBH is responsible for delivering £487k of savings to the HRA by the end of 2023/24, of which £109k has been delivered in 2021/22, £200k on target to be delivered in 2022/23, and a further £178k to be identified in 2023/24 which will be included in the 2023/24 budget process.
- Alongside the £487k of savings, based on recent benchmarking data, CBH continues to expand and improve their high-quality housing services at median cost (5 out of 6 cost per property indicators are now better than the median).
- Significant progress has been made in relation to the Management Agreement which has been comprehensively reviewed collaboratively, and now incorporates principles, actions and outcomes from the programme and has brought it in line with those of other CBC Partners. This is a major step forward to re-set the strategic relationship between the two organisations and will be formally signed off in Summer 2022.
- CBC and CBH have agreed a shared communications and marketing service with the subsequent team structure supporting the requirements of the 'one point of contact' asked for by key stakeholders. This team will have a pool of skilled professionals who are specialists in their areas with the resilience to deliver a proactive service to meet CBC and CBH's business needs and aspirations. The new Communications and Marketing Manager has been appointed to post and the teams are working on a transition plan to move towards implementation of the new structure and a co-delivered service within the next couple of months.

CBC and CBH continue to work collaboratively across multiple workstreams:

- The Climate Pathway has been developed and agreed with a subsequent strategy and aligned action plan being drawn up to support and drive the key objectives. CBC and CBH jointly recognise that the housing stock is a critical part of the Climate Pathway and is therefore a key priority for 2022 onwards to reduce its carbon footprint.
- Exploration of opportunities for greater collaboration around ICT provision and services and therefore efficiencies and synergies will commence following the appointment of CBH's Executive Director (Finance & Resources).
- Staffing resources will focus on embedding the shared service plan for communications and marketing. As a result, exploring options for a shared HR partnership across the two organisations will be paused and form part of wider discussions between the joint executive of CBC and CBH and for part of future priority setting and business planning.
- Actions from the Procurement workstream are being implemented and changes made to relevant processes within teams in both organisations.
- The broad purpose of the Community Development & Investment alignment workstream is to adopt a stronger collaborative approach to these areas that ensures optimum use of resources across the partnership. Whilst CBC and CBH community teams continue to meet on

a regular operational basis, due to other priorities, work has been delayed on developing the new strategy and action plan referred to in our previous report. As part of the strategy, a protocol will be developed so that there is early CBC involvement and input into CBH Community Investment Plans. The strengthening of the partnership will also include having arrangements in place to ensure CBH is both operationally and strategically aligned to support the Council's wider community development and place shaping agenda for Cheltenham.

- The housing supply workstream has confirmed CBH's role in affordable housing delivery, regeneration of existing homes where required, and management of PRS homes. Finalisation of the Housing Investment Plan will now be taken forwards, following the approval of the Asset Management Strategy, reflecting the shared ambition to increase affordable housing delivery.

Following the success of the programme to date, and further developing our shared values, culture and vision, it is important that CBC and CBH now continue with a shared commitment to delivering continuous improvement and to identify and capitalise on future opportunities that deliver for residents and customers. To achieve this it is important that a shared endeavour to strengthen the CBC/CBH partnership forms a central part of each organisations' organisational culture. To achieve this ambition, a shared organisational culture project will be undertaken to help support, strengthen and embed a shared ethos of partnership working.

Going forward, both organisations will use annual business planning and priority settings processes to ensure that further strengthened partnership initiatives forms part of CBC/CBH work plans and that stronger partnership programme principles, recommendations, actions and ethos will remain part of CBC and CBH for the longer-term.

Undertaking a business planning approach in this way will ensure that resources and capacity are prioritised and targeted to ensure that actions are deliverable, do not outstrip the resources of either organisation do not suffer delay.

Recommendations

- 1. Cabinet notes the positive progress on outcomes made on the recommendations from the Strategic Housing Review Cabinet Report January 2021**
- 2. To drive ongoing continuous improvement and to capitalise on further opportunities to strengthen the successful CBC/CBH partnership in the short, medium and long term, Cabinet agrees that:**
 - a. the Strengthened Partnership Programme, including existing and future actions and projects will be embedded within business planning and priority setting between CBC/CBH as set out in section 6 .**
 - b. That CBC and CBH will undertake a shared project to drive continuous improvement in organisational culture to further embed and foster the ethos of partnership working and encourage shared values and behaviours that will deliver future positive change and success that**

will improve services and value for money for residents, tenants and customers.

Financial implications	As contained in the report. Contact officer: Gemma Bell E-mail: gemma.bell@cheltenham.gov.uk Tel no: 01242 264365
Legal implications	None directly arising from this report but Legal advice and support will be provided to support the activities identified. Contact: One Legal E-mail: legal.servies@onelegal.org.uk Tel no: 01684 272691
HR implications (including learning and organisational development)	As the progress continues on the shared Communications service, HR advice and guidance will be sought. HR will ensure consultation with employees & Trade Unions occurs. Contact officer: Clare Jones Email: clare.jones@publicagroup.uk
Key risks	Outlined in Appendix 1
Corporate and community plan Implications	The proposals within this report aim to strengthen and expedite the delivery of a range of priorities found within CBC's Place Vision, Corporate Plan and Covid-19 Recovery Strategy.
Environmental and climate change implications	The Campbell Tickell report includes a number of recommendations that will have a positive impact on reducing carbon emissions and tackling climate change. These have been embedded into the collaborative Carbon Net Zero work that is ongoing between CBC and CBH.

1. Background

- 1.1** As reported in November 2021, an independent strategic review carried out by leading social housing specialists, Campbell Tickell (CT), recommended that CBC retain CBH as the housing service delivery model, and it should take the opportunity to re-set its strategic and operational alignment to strengthen the partnership between the two organisations. Moving to a 'hand-holding' position and joined-up approach with sharing of resources would reduce areas of duplication, decrease costs and ensure value for money, whilst having the potential to realise wider benefits for Cheltenham Borough in a post-Covid environment.
- 1.2** As a result, CBC and CBH jointly developed a programme of work in early 2021. The programme focused on the delivery of eleven outcomes that implement opportunities and the 'art of the possible' in partnership working, whilst delivering efficiencies, savings and maintaining the quality of services for residents. Five of these outcomes are jointly owned, five are owned by CBH and one by CBC. [See Appendix 2 for these outcomes]. The delivery of some of these have been enabled through the joint workstream reviews as set out below.

2. Progress

2.1 CBC/CBH Jointly Owned Outcomes

2.2 Deliver £300k of annual savings for the General Fund by the end of 2023/24

Additional income or savings in excess of £200k have already been identified for the General Fund (GF) through the Stronger Working Partnership programme. The additional income relates to commercial assets that currently sit within the HRA which can be transferred to the GF as well as CBH sharing space within the municipal offices and rent reviews at existing offices. The municipal office space will give CBH a town centre presence and also act as a catalyst for closer integrated processes and more face to face working between CBC and CBH teams. A timeline is currently being discussed between CBH and CBC officers.

Additional opportunities for income and savings are being considered by CBC and CBH to be able to meet the budgeted net savings figure of £300k included in the recently approved 2022/23 budget.

2.3 Management Agreement and HRA Business Plan

Significant progress has been made in relation to the revision of the Management Agreement which has now been comprehensively reviewed collaboratively and agreed in principle by CBC and CBH officers. Changes made capture principles, actions and outcomes from the Stronger Partnership programme and, in doing so, have also brought the Agreement in line with those of other CBC Partners and will be brought to Cabinet in the Summer following CBH Board review and approval.

- 2.3.1** The review and update of the HRA Business Plan has also commenced including stakeholder consultation ready for the next budget cycle.

2.4 Strategic Alignment

The Housing Outcomes Framework – as described in our previous report – and meetings protocol provide the governance framework under which CBH operates to realise the delivery of the shared housing and communities goals for Cheltenham Borough. The other key component of 'strategic alignment' is the shared culture between CBC and CBH which is built around Cheltenham – *where everyone thrives* - and the two organisations will continue to commit to working closely together now and in the future to build on the progress made so far.

2.5 Net Zero 2030

The Climate Pathway has been developed and agreed with a subsequent strategy and aligned action plan being drawn up to support and drive the key objectives. CBC and CBH jointly recognise that the housing stock is a critical part of its Climate Pathway and is therefore a key priority for 2022

onwards to reduce the carbon footprint. CBH's strategy for existing stock, new supply and CBH operations have been incorporated into CBC's Climate Pathway. CBH have recently secured £800k as part of the Social Housing Decarbonisation Fund Wave 1 funding.

- 2.5.1** CBC and CBH teams have worked collaboratively throughout this process and are meeting regularly to agree priorities and allocation of resources to enable delivery of actions, and to ensure teams work closely together so that there is no duplication of effort or lost opportunities for this priority area. In response to the Climate Pathway, governance monitoring processes will report on progress for key stakeholders.

3 Workstream Reviews

3.1 Shared Service – Communications and Marketing

Significant positive progress has been made under this workstream, which includes the development of a detailed business case setting out the scope, critical success factors, considered options, benefits and financial implications for a shared service. Both organisations are committed to the benefits that will be realised from a shared communications and marketing service across the partnership.

- 3.1.1** The subsequent team structure fully supports the requirements of a shared service model: it is the 'one point of contact' asked for by key stakeholders, has the leadership and management capacity to plan, agree and allocate shared resources, with a pool of skilled professionals who are specialists in their areas with the resilience to deliver a proactive service to meet CBC and CBH's business needs and aspirations. The new Communications and Marketing Manager has been appointed and the teams are now working on a transition plan to move towards implementation of the new structure and co-delivered services within the next couple of months. Whilst sharing of services between Councils and their ALMOs is not a new way of working for the sector, this move presents a lot of opportunity and possibility for both organisations to further improve communications with residents, tenants and leaseholders.

3.2 ICT

CBC and CBH will be working together to explore deliverables and outcomes for greater collaboration around ICT provision and services considering potential efficiencies and synergies. This will commence once CBH's new Executive Director (finance & Resources) is in place. It is expected that this could lead to opportunities on shared infrastructure and applications as well as achieving economies of scale, which would increase resilience, partnership collaboration and value for money.

3.3 Procurement

Following on from the previous progress report, CBC and CBH have identified areas that can be made more efficient. Steps have been taken to ensure that agreed actions are being implemented and changes made to relevant processes within teams in both organisations. Actions leading from this workstream have moved into 'Business As Usual' (BAU) and day-to-day operations.

3.4 Community Development & Investment Alignment

The broad purpose of this workstream was to adopt a stronger collaborative approach to community development & investment to ensure optimum use of resources across the partnership. Whilst CBC and CBH community teams continue to meet on a regular operational basis, due to other priorities, work has been delayed on developing the new strategy and action plan referred to in our previous report. As part of the strategy, a protocol will be developed so that there is early CBC involvement and input into CBH Community Investment Plans. The strengthening of the partnership will also include having arrangements in place to ensure CBH is both operationally and strategically aligned to support the Council's wider community development and place shaping agenda for Cheltenham.

3.5 HR

3.5.1 The objective of this workstream was to consider the potential opportunity for a shared service provision for HR & Organisational Development or the sharing of transactional elements of the HRA service. An initial meeting and review has taken place between the two organisations.

3.5.2 The Joint Programme team have reviewed resources required to deliver programme priorities while maintain service delivery within both organisations. As a result, exploring options for a shared HR partnership across the two organisations will be paused and will form part of future discussions on business planning and priority setting between CBC and CBH as set out in section 6. It is important that this, together with other potential shared priorities and opportunities that have been identified within the Programme are not lost so going forward it will form a key part of existing Joint Executive meetings between CBC and CBH which will allow the Administration to continue to discuss current and future priorities in partnership with CBH and review progress on the delivery of business plan priorities and projects.

3.6 Housing Supply

3.6.1 The housing supply workstream has confirmed CBH's role in affordable housing delivery, regeneration of existing homes where required, and management of PRS homes. Finalisation of the Housing Investment Plan will now be taken forwards, following the approval of the Asset Management Strategy, reflecting the shared ambition to increase affordable housing delivery.

3.7 Publica

As both CBC and CBH receive a range of support services from our partner Publica, they will continue to be fully involved in any future proposed changes.

4. CBH Owned Outcomes

The five agreed CBH owned programme outcomes are noted in Appendix 2.

The majority of these outcomes are covered by the current CBH delivery plan, delivery of the Social Housing White Paper over the next 3-5 years, continuous focus and annual reporting on Value for Money and future plans and budgets.

4.1 Deliver £487k of HRA Savings

An indicative savings profile for the £487k of HRA savings was included in the Cabinet report in November 2021. Year 1 savings of £109k were delivered in the 2021/22 budget through savings and efficiencies. The £200k of savings required for Year 2 have been finalised and are now within the approved budget for 2022/23. Work will continue over the coming 18 months to identify and deliver the remaining £178k of savings for 2023/24.

4.2 High quality services

4.2.1 High quality service delivery is monitored through the use of third-party benchmarking data covering performance and satisfaction from Housemark for the core housing services provided by CBH. Costs are similarly monitored through benchmarked cost per property (CPP) measures.

4.2.2 The most recent full year performance and satisfaction benchmarks show that all 15 high level strategic measures are either in quartile 1 (Q1) or quartile 2 (Q2) demonstrating high quality services are being delivered. These are forecast to be maintained or improved based on the targets set for 2022/23.

4.2.3 The approved budget for 2022/23 which includes year 1 and 2 of the £487k of savings noted above demonstrates a movement towards the median or better (Q2 or above) cost point for agreed CPP

measures. Of the 6 agreed CPP measures 5 are now forecast to be in Q2 (previously only 3) with 1 remaining in Q3 (previously 3). Further identified savings in year 3 are expected to move this final CPP measure towards the median point.

4.3 Customer service and engagement strategy

4.3.1 The Social Housing White Paper (SHWP) has fundamentally changed the way landlords are expected to engage with tenants. CBH have always valued tenant engagement highly and are responding with opportunities to further enhance the quality of engagement across all tenures providing community engagement and sustainability, the shaping and influencing of services and responding to information and insight.

4.3.2 CBH are delivering the key themes from the SHWP through ensuring tenants voices are heard, that colleagues are truly listening and acting on what customers say and are ensuring customer voices can impact and shape services. CBH's commitment to enabling this is demonstrated by substantially improving the quality of existing mechanisms, alongside creating a new approach to delivering action into the business through investment in transformation and developing a culture of listening and acting throughout the organisation.

4.3.3 CBH contributed to the consultation exercise held by the Regulator in March 2022 on the new suite of Tenant Satisfaction Measures (TSMs) which are due to be released at the end of the Summer. This process involved engagement from the wider tenant population, the tenant Scrutiny Panel, CBH Board and the Lead Commissioner for Housing Services. CBH will adapt internal processes for data collection on the TSMs in preparation for April 2023.

4.3.4 An annual update on the Social Housing White Paper will be prepared for CBH Board and shared with the Lead Commissioner for Housing Services.

4.4 CBH Delivery Plan 2020-23

4.4.1 Within the 3 aims of the CBH delivery plan 11 priorities are identified which will support the delivery of the goals within CBC's Housing Outcomes Framework.

4.4.2 Year 2 delivery (2021/2022) was within the ongoing context of an increasingly challenging operating environment due to Covid-19 and Brexit. Notwithstanding this, there has been significant progress against objectives and achievements made within each of the 11 delivery plan priorities.

4.4.3 An end of year 2 delivery report along with progress on the key measures of success was presented to CBH Board in April 2022. Highlights include further progress with the completion of the first PRS properties, expansion of Housing First Pathway, growth of the ACEs programme, significant community investment across our communities, delivery of properties to Afghan families and maintenance of rent arrears performance throughout.

4.4.4 The current Business Plan and its priorities will be superseded by the new 5 year update to the 30 year Business Plan which will commence from April 2023.

4.5 Additional income

CBH has identified and supported a number of opportunities for additional income during 2020/21 and 2021/22, including;

- 13 Private Rented Sector homes at 24 St Georges Place have been completed with 12 reserved or let with the remaining progressing tenancy checks.
- £24,000 of external funding granted to support the Housing First Pathway which has supported 5 tenants, who were rough sleepers, to sustain tenancies through intensive tenancy management support.
- £40,000 grant awarded as part of the Social Housing Decarbonisation Demonstrator Fund to carry out 'deep retrofitting' works at two CBC homes with a view to significantly reducing the carbon impact of the properties.

- £800,000 of Social Housing Decarbonisation Fund Wave 1 funding to deliver improvement works to 59 properties in support of CBC's aim to be Net Zero by 2030 and delivering lower energy bills for customers. Planning is now taking place for an application for Wave 2 funding grant which is due for release later in 2022.
- £18,000 received from the Rough Sleeper Initiative funding to pilot an ACEs (Adverse Childhood Experiences) trauma informed intensive approach with Housing First tenants. There have been positive outcomes to date and further funding will enable this approach to continue in the new financial year as noted in the bullet below.
- £35,000 per year for two years included in a bid awaiting confirmation of award (due in July 2022) for external funding from the Rough Sleeper Initiative to expand our Housing First Pathway work. This bid is 50% of the total funding required, and if successful will be match funded by the HRA.

Additional opportunities are being explored with other partners which if successful will enable CBH to further expand and enhance services in the future.

5. Monitoring and Reporting

- 5.1** As noted in our previous report, the monitoring of delivery and progress against the 5 CBH owned outcomes is carried out by the CBH Board and within existing governance processes. CBC scrutiny is undertaken by the Lead Commissioner for Housing Services. There are a range of reports to support CBH owned outcomes and work is currently underway to streamline these.

6. Embedding the Stronger Partnership Programme

- 6.1** This report has highlighted significant progress in delivering the Stronger Working Partnership Programme. Both the efficiencies and savings generated, progress on sharing services and collaborative working combined with updates to core documents such as the Management Agreement will ultimately translate to tangible benefits for Cheltenham's communities and CBH tenants and customers. However, it is imperative that both CBC and CBH work to embed a shared commitment and ethos of an ever stronger partnership as part of the organisational culture.

Shared Organisational Culture Project

- 6.2** To maintain the delivery of the Stronger Partnership Programme, harness current and future opportunities and to achieve continuous improvement, it is important that both organisations take practical steps to encourage and embed the shared values and behaviours that will ensure that the ethos of delivering change through partnership and collaboration becomes part of how CBC and CBH work together. To achieve this, a shared organisational culture project will be developed across CBC/CBH in order to encourage and foster positive shared values and behaviours that will provide the strongest platform from which to identify and deliver future opportunities, drive change and, ultimately, improve services and value for money for residents, tenants and customers.

Business Plan

- 6.3** In the coming months CBC and CBH will be working in partnership to agree a 5 year update to the 30 year business plan which will be presented to Council for agreement in early 2023. This provides a key opportunity to discuss and agree priorities which may include further initiatives and opportunities to strengthen the CBC/CBH partnership. The annual review and monitoring of the delivery of business plan priorities and outcomes provides a further mechanism to adapt, evolve and embed areas of work to strengthen CBC/CBH partnership.

Capacity and resources

- 6.4** The Stronger Working Partnership Programme has made significant progress but all organisations must continually match existing capacity and resources against transformation projects while also

maintaining a high standard of service delivery. In addition, changes to policy, for example, the publication of the Social Housing White Paper may also place additional capacity demands on both CBC and CBH. To mitigate potential risks relating to lack of capacity, the business planning process to set priorities and existing mechanisms within the CBC/CBH governance via Joint Executive Meetings or through regular partnership meetings with lead officers will allow CBC/CBH to ensure that projects and workload is phased and managed to prevent resources being overstretched.

- 6.5** CBH has approved a new approach and an increase in resource to support the business to further deliver transformation and continuous improvement. This will be delivered through a mechanism and approach to genuinely listen to and act on ideas to ensure that CBH continues to deliver great services and support to its customers in these most challenging of times.
- 6.6** This focus on transformation does not change what CBH is delivering through our shared priorities, rather it focuses on how these are delivered and how CBH makes the best and most efficient use of its resources (people, processes and partnerships). The challenge is to increase capacity, automation, digitalisation of services, colleague engagement and empowerment, mobile working, and quality and use of data in decision making and resource allocation
- 6.7** The investment of extra resource from CBH should prove a positive support to continue to deliver ongoing continuous improvement, the delivery of priorities within the business plan and support the ongoing commitment to a stronger partnership.

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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Shared Housing Outcomes
Background information	None

