

Cheltenham Borough Council

Council – 17 June 2024

Housing Transition Governance Arrangements and Constitutional Updates

Accountable member:

Councillor Rowena Hay, Leader of the Council

Accountable officer:

Claire Hughes, Director of Governance and Customer Services (Monitoring Officer)

Ward(s) affected:

All

Key Decision: No

Executive summary:

The Cabinet decision in October 2023 to wind-up Cheltenham Borough Homes and to re-integrate housing services under Cheltenham Borough Council set a clear change in direction to the future delivery of housing services in Cheltenham. The decision was taken for following key reasons:

- To deliver efficiencies across the HRA and General Fund to help protect services and respond to the challenging financial environment created by austerity, the Covid-19 pandemic and an inflation-driven cost of living crisis.
- To drive greater delivery of homes to meet the challenge of a national housing crisis.
- To respond to changes in housing regulations.
- To harness opportunities to improve services to our residents by looking at ways in which we can be more joined up and deliver an improved tenure neutral offer to everyone.

Central to the proposals to wind-up CBH was a clear pledge to place the voice of tenants and leaseholders at the heart of our housing service. Ensuring that our tenants, leaseholders and shared ownership owners can have oversight of, and influence the service they receive will not just meet the test of the regulator but it underlines the administration's earlier commitment to put residents at the centre of our housing offer.

On 11 June Cabinet considered a paper setting out the proposals for the new governance arrangements

to reflect the return of housing management to CBC, which will take effect from 1 July 2024. These new arrangements are vital to establishing effective and robust governance, but also have wider importance in setting a framework that will help to facilitate and create ways in which our residents can play an essential part in helping to shape CBC's housing service.

The structure seeks to ensure effective engagement with tenants, leaseholders and shared ownership owners and provide members with the required level of oversight needed.

This paper builds on that report to Cabinet by seeking approval from Council to make changes to the constitution to reflect not only the new governance structure but also further amendments to the constitution that are required to facilitate the transition of housing services.

Recommendations:

1. Note the new governance arrangements as set out in the [Cabinet Report of 11 June](#).
2. Delegates the appointment of members to the Housing Cabinet Committee to Group Leaders.
3. Approves the consequential amendments to the constitution to reflect the new governance arrangements.
4. Approves the amendments to Parts 3D, 3E and 3F of the constitution as set out in appendices 4, 5 and 6.
5. Approves the updated contract procedure rules as set out in appendix 7.

1. Implications

1.1 Financial, Property and Asset implications

No direct financial or property implications resulting from these recommendations.

Signed off by: Gemma Bell, Director of Finance and Assets gemma.bell@cheltenham.gov.uk.

1.2 Legal implications

None arising directly from this report. The proposals will ensure the effective governance and democratic accountability of key strategic and operational housing functions, services and priorities for the Council.

Signed off by: legalservices@onelegal.org.uk

1.3 Environmental and climate change implications

The proposed governance arrangements do not mention how the effects on environment and climate change will be accounted for. As CBH is brought back into the Council, consideration needs to be given to how the CBH climate action plan and footprint will be incorporated with the broader approach being adopted by CBC. Particularly given that to bring the existing housing stock in line with net zero would require circa 4 times the current budget for CBH, which will alter the trajectory to achieving net zero by 2030. To this end, it is envisaged that the CBH decisions also be made subject to Climate Impact Assessment Tool following on from the transfer, to effectively identify and mitigate negative environmental implications.

Signed off by: Maizy McCann, Climate Emergency Officer, Maizy.mccann@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

1.5 Equality, Diversity and Inclusion Implications

An equalities impact assessment screening questionnaire has been completed and is attached at Appendix 2.

2 Background

2.1 In October 2023 a Cabinet decision was taken that authorised the Chief Executive, Executive Director for Finance, Assets and Regeneration, the Corporate Director and Monitoring Officer, and the Housing Partnership Manager to undertake the required review to support the Leader in deciding to wind-up Cheltenham Borough Homes (CBH).

2.2 The decision to re-integrate housing services under Cheltenham Borough Council set a clear change in direction to the future delivery of housing services. The decision was taken for the following key reasons:

2.2.1 To deliver efficiencies across the HRA and General Fund to help protect services and respond to the challenging financial environment created by austerity, the Covid-19 pandemic and an inflation-driven cost of living crisis.

2.2.2 To drive greater delivery of homes to meet the challenge of a national housing crisis.

2.2.3 To respond to changes in housing regulations.

2.2.4 To harness opportunities to improve services to our residents by looking at ways in which we can be more joined up and deliver an improved tenure neutral offer to everyone.

2.3 Central to the proposals to wind-up CBH was a clear pledge to place the voice of tenants and leaseholders at the heart of our housing service. Ensuring that our tenants and leaseholders can have oversight of, and influence the service they receive will not just meet the test of the regulator but it underlines the administration's earlier commitment to put residents at the centre of our housing offer.

2.4 In addition, the new regulation and regulatory process will require strong governance and understanding by elected members, in practice functioning as a management board. Members will be required to have, and be able to demonstrate they have, clear sight of the operation of the housing service. Therefore, as part of the transition it is necessary for the Council to consider what those governance arrangements should be.

2.5 On 11 June Cabinet considered a paper setting out the proposals for the new governance arrangements to reflect the return of housing management to CBC, which will take effect from 1 July 2024. These new arrangements are vital to establishing effective and robust governance, but also

have wider importance in setting a framework that will help to facilitate and create ways in which our residents can play an essential part in helping to shape CBC's housing service.

2.6 The structure seeks to ensure effective engagement with tenants, leaseholders and shared ownership owners and provide members with the required level of oversight needed.

2.7 This paper builds on that report to Cabinet by seeking approval from Council to make changes to the constitution to reflect not only the new governance structure but also further amendments to the constitution that are required to facilitate the transition of housing services.

3 Revised Governance Structure

3.1 The detail of the revised structure is set out in the Cabinet report on 11 June. However, by way of summary it includes the establishment of a new Housing Cabinet Committee, made up of 5 elected members, one of who will be the Cabinet Member for Housing, two tenant representatives, one leaseholder representative and one shared ownership representative.

3.2 The main role of the committee will be to:

- Monitor performance and delivery of the consumer standard including the new tenancy satisfaction measures.
- Monitor the impacts of investment in ensuring the Council maintains decent homes, fire and building safety and customer satisfaction.
- Receive and considering complaints data to inform service delivery.
- Have oversight of the risk register for housing services.
- Provide strong and effective connectivity between the Council and the Tenant Panel.

3.3 To reflect the need for the council to hear the voices of their tenants and to hear those voices loudly. It is essential that tenant involvement and engagement is one of the fundamental principles within its new governance arrangements. Therefore, alongside the committee we will establish a Tenant Panel and a separate Leaseholder/Shared Ownership Panel. These panels will create a space where involved tenants and leaseholders, can act as our scrutineers and critical friends, working with the Council to develop our plans, priorities and policies.

3.4 A diagram depicting the new structure is attached at Appendix 3

4 Statutory Appointments

4.1 As part of the consumer standards and the Housing Ombudsman Code of Practice the council is also required to nominate various officers and members who will have overall responsibility for the following areas:

- Health and Safety
- Consumer Standards and Complaints
- Member with responsibility for complaints

4.2 It is therefore recommended that the following appointments are made:

- Officer with responsibility for Health and Safety - Paul Jones, Deputy Chief Executive
- Officer with responsibility for Consumer Standards and Complaints – Claire Hughes, Director of Governance and Customer Services
- Member with responsibility for complaints – Cabinet Member with responsibility for Housing and Customer Services

4.3 Part 3F (Statutory and Proper Officer Appointments) of the constitution has been updated to reflect these officer appointments and Council are asked to approve those amendments (Appendix 4).

5 Constitutional Amendments

5.1 In order to facilitate the smooth transition of housing services back into CBC, and to ensure effective decision making can continue it has been necessary to review Part 3D (Officer Non-Executive Functions) and Part 3E (Executive Functions) of the constitution.

5.2 Whilst most decisions will fall within established operational delegations, some amendments were required, which Council are now asked to approve (see Appendices 5 and 6).

5.3 In addition to the housing related amendments, Council will note that some specific delegations around Building Control have also been added. These reflect our current practice but are included to provide additional clarity in the case of any legal proceedings.

6 Contract Procedure Rules

6.1 Historically both Cheltenham Borough Council and Cheltenham Borough Homes followed different Contract Procedure Rule and Financial Rules, with the biggest difference being the thresholds that were applied. In order to provide consistency across the organisation and to ensure that the council are compliant with the Transparency obligations an updated set of Contract Procedure Rules has been prepared and are now presented to Council for approval (Appendix 7).

6.2 Under the current Constitution the purchase of supplies, services and works with a value below £25,000 require a best value process. Over £25,000, a competitive process is required through the procurement e-portal via Publica Procurement and a formal contract is prepared by One Legal. Under the new rules it is proposed that the thresholds are as follows:

Amount	Route
£0-£24,999	No change except that if quotes are sought, they should be obtained through the self-service e-portal
Above £25,000 to £50,000	3 written quotes via the self-service e-portal. There will no longer be a requirement for a formal contract to be prepared by One Legal; instead, the standard terms and conditions currently applicable for purchases below £10,000 will be used. To remain compliant with the Transparency Obligations, all requirements above £25,000 must be published on Contracts Finder
Above £50,000;	A full competitive tender through Publica Procurement and the e-portal will be required. A contract will be prepared or reviewed and executed by One Legal.
Procurement over prescribed values (Currently £181,302 for supplies and services, £4,551,413 for works).	Prescribed legislative route

6.3 Council may also wish to note that current Procurement law is set for wide ranging transformation; with the Procurement Act 2023 coming into force on 28 October 2024. Therefore a full review of the current Procurement processes, regulations and obligations is being carried out the Procurement Team and it is expected that further changes to the Contract Procedure Rules will be proposed prior to go live in October.

7 Key risks

7.1 Key risks are identified in the risk register attached at Appendix 1

Report author:

Claire Hughes, Director of Governance and Customer Services – claire.hughes@cheltenham.gov.uk

Appendices:

- i. Risk Assessment
- ii. Equality Impact Assessment
- iii. Governance Structure
- iv. Part 3F (Statutory and Proper Officer Appointments)
- v. Part 3D (Officer Non-Executive Functions)
- vi. Part 3E (Executive Functions)
- vii. Contract Procedure Rules

Background information:

[Cabinet Report October 2023](#)

[Housing Transition Governance Arrangements](#) - June 2024

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1	If the council does not have a governance structure that is fit for purpose, then it may not fulfill its statutory requirements in relation to the Housing Regulations	Director of Governance & Customer Service	4	4	16	Reduce	Implement an effective and fit for purpose governance structure. Review the structure after 12 months of operation	Director of Governance & Customer Service	July 2024 July 2025
2	If the council does not have a governance structure that provides input from tenants, leaseholder and shared ownership owners then it may fail to meet the requirements of the consumer standards	Director of Governance & Customer Service	4	4	16	Reduce	Implement an effective and fit for purpose governance structure. Review the structure after 12 months of operation	Director of Governance & Customer Service	July 2024 July 2025
3	If the council does not have a governance structure that is fit for purpose then it may result in an inability to identify areas of failure and areas of improvement	Director of Governance & Customer Service	4	4	16	Reduce	Implement an effective and fit for purpose governance structure. Review the structure after 12 months of operation	Director of Governance & Customer Service	July 2024 July 2025

Appendix 2: Equality Impact Assessment (Screening)

1. Identify the policy, project, function or service change

a. Person responsible for this Equality Impact Assessment

Officer responsible: Claire Hughes	Service Area: Governance and Customer Services
Title: Housing Governance Arrangements	Date of assessment: 13 May 2024
Signature: C. Hughes	

b. Is this a policy, function, strategy, service change or project?

Other

If other, please specify: Update to Councils Governance arrangements

c. Name of the policy, function, strategy, service change or project

Update to Councils Governance arrangements

Is this new or existing?

New or proposed

Please specify reason for change or development of policy, function, strategy, service change or project

To reflect the return of the management of the councils housing stock to CBC

d. What are the aims, objectives and intended outcomes and who is likely to benefit from it?

Aims:

- To ensure compliance with housing regulations and consumer standards
- Continually improve housing services
- Have a governance structure that is fit-for-purpose and facilitates the ability to identify areas of improvement
- Provide clear lines of accountability for housing services, particularly in the areas of compliance

Objectives:	To demonstrate our commitment to ensure full compliance with all legal, regulatory and statutory requirements.
Outcomes:	This structure will ensure that employees and members are aware of their roles and responsibilities with the governance framework and facilitate engagement with tenants, leaseholders and share ownership owners.
Benefits:	Demonstrating compliance with the councils legal and statutory responsibilities as a Landlord.

e. What are the expected impacts?

Are there any aspects, including how it is delivered or accessed, that could have an impact on the lives of people, including employees and customers.	Yes
Do you expect the impacts to be positive or negative?	Positive

Please provide an explanation for your answer:

This governance structure may have potential positive impacts but at the current time this is unknown.

If your answer to question e identified potential positive or negative impacts, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

f. Identify next steps as appropriate

Stage Two required	No
Owner of Stage Two assessment	
Completion date for Stage Two assessment	

Please move on to Stage 2 if required ([intranet link](#)).

Appendix 3: Proposed Structure

