

# Cheltenham Borough Council

## Cabinet member decision to approve changes to the governance agreements relating to Publica Group (Support) Ltd

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### Accountable member:

Leader, Councillor Rowena Hay

### Accountable officer:

Gareth Edmundson, Chief Executive

### Ward(s) affected:

n/a

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**Key Decision:** No

### Executive summary:

The governance documents that support the delivery of services by Publica were approved prior to its launch in 2017. These documents outlined arrangements for managing the company and its service delivery for all partners.

The arrangements for shared service provision within the Publica partnership have been subject to a significant level of change over the last two years as a consequence of the Publica Review undertaken in 2023, so shareholders requested that Publica review and update the governance documents to reflect the current position in terms of service delivery and to prepare for LGR. Changes to the governance documents impact all the partner councils.

The changes to the governance arrangements set out in this report therefore support the service changes post the Publica review, clarifying roles and responsibilities, and revising service specifications to reflect current provision. The changes also provide both certainty and the necessary flexibility as local government reorganisation

progresses.

## **Recommendation:**

To approve the changes to the Articles of Association, Members Agreement and Services Agreement as set out in this report.

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## **1. Implications**

### **1.1 Financial, Property and Asset implications**

There are no direct financial implications arising from the approval of the revised governance arrangements as the changes reflect current practice. The contract fee for services is agreed annually and is adjusted to reflect any changes to the services provided.

**Signed off by:** Jon Whitlock, Head of Finance (Deputy S151 Officer),  
[jon.whitlock@cheltenham.gov.uk](mailto:jon.whitlock@cheltenham.gov.uk)

### **1.2 Legal implications**

There are no direct legal implications arising from the revised governance arrangements which have been agreed by the parties. The governance documents have been reviewed and commented on by One Legal on behalf of the Cheltenham Borough Council.

**Signed off by:** Alison McKane, Interim Deputy Monitoring Officer  
[alison.mckane@cheltenham.gov.uk](mailto:alison.mckane@cheltenham.gov.uk)

### **Environmental and climate change implications**

There are no direct implications arising from the changes to the governance agreements.

### **1.3 Corporate Plan Priorities**

The services provided by Publica Group (Support) Ltd support teams across the council to deliver the priorities in the Corporate Plan, which are:

- Securing our future
- Quality homes, safe and strong communities
- Reducing carbon, achieving council net zero, creating biodiversity
- Reducing inequalities, supporting better outcomes
- Taking care of your money

### **1.4 Equality, Diversity and Inclusion Implications**

The changes to the governance agreements will be neutral in terms of impact.

## **1.5 Performance management – monitoring and review**

The performance of Publica Group (Support) Ltd is monitored through the Publica Operational Forum, the Publica Shareholder Forum and through regular liaison with Publica service teams.

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## **2 Background**

2.1 The governance documents that support the delivery of services by Publica were approved prior to its launch in 2017. These documents outlined arrangements for managing the company and its service delivery for all partners. For three of the partners (Cotswold, Forest of Dean and West Oxfordshire) this included three separate service specifications relating to Support Services, General Services and Commissioning. Cheltenham only took Support Services and as such, had one service specification. These service agreements all had different timelines associated with them.

2.2 The Publica Review undertaken in 2023 fundamentally changed the nature of the service offering from Publica to its shareholding councils, although it did not directly impact Cheltenham borough council.

2.3 Having paused any further significant changes to the Publica service offer prior to determining Publica's future as part of Local Government Reorganisation (LGR), the shareholders requested that Publica review and update the governance documents to reflect the current position in terms of service delivery and to prepare for LGR. Changes to the governance documents impact all the partner councils.

2.4 This report sets out the proposed changes to the following agreements:

- Articles of Association
- Members Agreement
- Services Agreement including the Services Specification

## **3 Summary of the proposed changes to governance documents**

### **Articles of Association**

3.1 Some very minor changes are proposed to largely reflect current practice:

- Clarifying that annual distributions of surpluses are permitted and that this does not require prior member approval
- Removing reference to the dormant companies (now dissolved)

- Removal of the requirement to annually renew the Chair of the Board's appointment (the three-year term remains unaltered)

## **Members Agreement**

3.2 Again, relatively minor changes are proposed to reflect current practice:

- Clarifying that surpluses can be distributed annually
- Clarifying that members will fund the consequences of any decisions that they have made (as they did in respect of the Publica Review)
- Clarifying the timelines for the annual business plan – reflecting a more appropriate timeline that matches council and Publica budget processes

## **Services Agreement including Services Specification**

3.3 The Services Agreement has more significant changes specifically to deal with the merging of three specifications into one.

3.4 Originally, the other three partner councils (Cotswold, Forest of Dean and West Oxfordshire) had three separate service specifications relating to Support Services, General Services and Commissioning, whilst Cheltenham only took Support Services and therefore had one service specification.

3.5 Two of the specifications have now been removed and there is now one specification of 'services'. The Services Agreement has a single agreement end date of 31 October 2030. This ensures all partners are aligned, which provides continuity should any new unitary authority want to continue with the model, or undertake a phased shutdown, whilst retaining flexibility for termination earlier, if necessary, in the run up to reorganisation.

3.6 There has also been some general updating to pick up changes in legislation such as GDPR and changes to clauses to reflect how the agreement works in practice rather than originally specified.

3.7 A summary of the changes is set out below:

- Definitions updated and revised expiry date / extension opportunity to protect new unitary options
- Updating of section on notices
- Updating of payments processes and timings to reflect actual practical arrangements that have been in use since Publica was formed
- Updating quality control arrangements to reflect the current position
- Updating of relevant insurance provisions to reflect what is procured in partnership with the councils
- Clarification about what is included within the annual report
- A revised service specification

- A revised communications protocol to clarify the role of the Member Representative Board (Shareholder Forum) and Client Officer Group (Operational Forum) and tidy up performance reporting arrangements.

3.8 Revised service specifications have been drawn up for each council. These follow the same format and level of detail as the original documents but have been rewritten to reflect current service provision. The specification is a live document and will be updated to reflect any further changes that occur should the council further amend service provision.

#### **4 Reasons for recommendations**

4.1 As set out above, the shareholders requested that Publica review and update the governance documents to reflect the current position in terms of service delivery and to prepare for LGR.

#### **5 Alternative options considered**

5.1 None.

#### **6 Consultation and feedback**

6.1 Consultation has been undertaken with the Publica Board, Publica Shareholder Forum and Publica Officer Transition Board.

#### **7 Key risks**

7.1 If the governance arrangements are not updated this may lead to uncertainty about the continuance of service provision and the council (or its successor under LGR) may not have the flexibility to retain or amend the arrangements as required.

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#### **Report author:**

Gill May, Organisational Performance Lead, [gill.may@cheltenham.gov.uk](mailto:gill.may@cheltenham.gov.uk)

#### **Appendices:**

- i. Risk Assessment
- ii. Equality Impact Assessment – Screening

#### **Background information:**

N/A

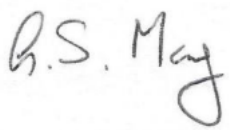
## Appendix 1: Risk Assessment

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
	If the governance arrangements are not updated, then this may lead to uncertainty about the continuance of service provision	Chief Executive	2	2	4	Reduce	Obtain approval from the Leader for the changes to be made to the governance arrangements	Organisational performance lead	31/03/26
	If the governance arrangements are not updated, then the council (or its successor under LGR) may not have the flexibility to retain or amend the arrangements as required.	Chief Executive	2	2	4	Reduce	Obtain approval from the Leader for the changes to be made to the governance arrangements	Organisational performance lead	31/03/26

## 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: Gill May	Service Area: Corporate Services
Title: Organisational Performance Lead	Date of assessment: 30/03/26
Signature:	

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

Other

Changes to governance documents relating to services provided by Publica Group (Support) Ltd

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

Articles of Association, Members Agreement, Services Agreement, Service Specification

Is this new or existing?

Other

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

Governance documents have been revised to reflect changes to arrangements between Publica and its four partner councils following the Publica Review undertaken in 2023.

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

**Aims:** Provision of internal support services comprising ICT, procurement, transactional finance (accounts payable and receivable) and insurance services.

**Objectives:** Supports delivery of council services

**Outcomes:** The services delivered by Publica Group (Support) Ltd support teams across the council to delivery the priorities in the Corporate Plan.

Benefits:	Service areas are supported to deliver the actions in the Corporate Plan for the benefit of Cheltenham’s residents.
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**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.	<b>No</b>
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Do you expect the impacts to be positive or negative?	<b>No impact expected</b>
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Please provide an explanation for your answer:

The changes to the governance documents will be neutral in terms of impact.

**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	<b>No</b>
Owner of Stage Two assessment	
Completion date for Stage Two assessment	