

BARNESLEY METROPOLITAN BOROUGH COUNCIL

REPORT OF: Executive Director of Growth and Sustainability

TITLE: Berneslai Homes Strategic Plan & Annual Business Plan 2023/24

REPORT TO:	CABINET
Date of Meeting	11 January 2023
Cabinet Member Portfolio	Regeneration and Culture
Key Decision	Yes
Public or Private	Public

Purpose of report

This report seeks approval of the refresh of the Berneslai Homes Strategic Plan 2021-2031 (Appendix 1) and the Annual Business Plan 2023/24 (Appendix 2).

The report also provides a summary for Members of Berneslai Homes performance in delivering against the Service Agreement and Key Performance Indicator suite during the last financial year; providing a copy of the Annual Performance Outturn Report for 2021/22 and the 2022 STAR Survey Report.

Council Plan priority

Healthy, Growing, Sustainable and Learning Barnsley

Recommendations

That:

1. Cabinet approves the refreshed Berneslai Homes 2021-31 Strategic Plan and Annual Business Plan for 2023/24.
2. The Service Director for Regeneration and Culture, in consultation with the Cabinet Spokesperson for Growth and Sustainability, be authorised to approve any minor final amendments or additions to the Strategic Plan/Annual Business Plan (including the final suite of KPI's which will need to align to the Regulator's Tenant Satisfaction Measures) and associated appendices as may be identified.
3. Cabinet notes the performance of Berneslai Homes in relation to the delivery of actions against the current annual business plan 2022/23, the outturn report for 2021/22 and the 2022 STAR Survey and highlights any additional areas of focus which they may wish to see included in the annual business plan action plan.

1. INTRODUCTION

- 1.1 In October 2020, Cabinet approved the renewal of the Services Agreement with Berneslai Homes for a period of 10 years (5+5 years). It is a requirement of the Services Agreement between the Council and Berneslai Homes that Berneslai Homes produce a Strategic Plan spanning the agreed contract period and that this plan is refreshed annually.
- 1.2 The current Strategic Plan for the period 2021 to 2031 was approved by the Council in February 2022 alongside the addition of an Annual Business Plan (2022/23). The Annual Business Plan is an additional annual report required by the Council, under the Services Agreement, which details the key actions and areas of focus for the coming year and associated budgets/costs, KPI's, a breakdown of what the management fee will be spent on and updated staffing/governance arrangements.
- 1.3 The progress against the Strategic Plan is monitored by BMBC as part of the new governance arrangements and year 1 progress will be reported formally to the Council at the end of quarter 4 22/23. The Strategic Plan and Annual Business Plan are submitted for Cabinet approval alongside the HRA Budget report for the coming year. This is to ensure that the strategic planning process has a greater focus on delivering continuous improvement and greater value for money for the Council.
- 1.4 The Strategic Plan was subject to a full overhaul at its last review where the ambitions and success measures for Berneslai Homes over the next 10 years were identified. The Strategic Plan also saw the launch of Berneslai Homes' new values - Customer First, Can Do and Curious.

Strategic Plan 2021-2031

- 1.5 The current Strategic Plan has been subject to a light touch review. Minor changes have been made to the introduction (page 3), and some minor wording changes. One of the success measures has also been amended to reflect discussions around evidencing success. The success measure '20% reduction in working age tenants in receipt of benefits' has been updated to a measure of '20% increase in number of tenants not currently in work obtaining employment'.
- 1.6 To avoid duplication the KPI's and the action plan have been removed as appendices in the Strategic Plan as this now all sits within the Annual Business Action Plan. A copy of the refreshed Strategic Plan is located at Appendix 1.

Annual Business Plan 2023/24

- 1.7 The Annual Business Action Plan details the key actions and areas of focus for Berneslai Homes for the coming year with associated budgets/costs, KPI's as set by the Council (and in line with the Regulator's requirements), a breakdown of what the management fee will be spent on and updated staffing/governance arrangements. A copy of the 2023/24 DRAFT Annual

Business Action Plan is located at Appendix 2.

1.8 Berneslai Homes have developed the 2023/24 Annual Business Plan working closely with the Berneslai Homes Board, staff, and Customers; with the draft plan being agreed at Board on 8th December. The final plan will be agreed by the Council via this approval process.

1.9 The Annual Business Plan, and Berneslai Homes key priorities within it, are aligned to the Barnsley 2030 priorities under the objectives of Healthy, Learning, Growing and Sustainable Barnsley. The 23/24 actions reflect the priorities identified to ensure that Berneslai Homes can continue to deliver against their ambitions of:

- Hearing Customers,
- Keeping Customers Safe,
- Technology and Innovation,
- Zero Carbon,
- Improving Opportunities for Employment and Training, and,
- Growth of Homes and Services.

1.10 Key actions for the coming year (in brief) include:

Healthy Barnsley	<ul style="list-style-type: none"> • Working with tenants who have been disproportionately affected by the cost-of-living crisis – promoting MMIYP and the BH Hardship Fund • Delivering the new IT systems for Repairs including Dynamic Resource Scheduling – which will improve how tenants can report and track repairs and the efficiency of how our contractors attend and complete jobs • Implementing a new Housing Management and Service Model and Customer Portal • Keeping Tenants Safe and ensuring that the Council complies with all Building and Fire Safety Legislation. Members will note the recent investments in additional smoke and CO alarms in line with updated legislation and the works to install sprinkler systems and other fire safety measures in our high rise and other buildings. • Enforcing a proactive approach to Damp and Mould which includes the development of a new Policy approach, media campaigns, proactive investigation and repairs delivery and specialist training for staff to identify and report issues.
Growing Barnsley	<ul style="list-style-type: none"> • Implementing the new Lettings Policy to make the best use of stock to address housing need across the borough and providing housing options support to those residents that we are unable to accommodate in council homes. This

	<p>action is carried over from the 2022/23 plan given the processes for consulting on such key council strategies.</p> <ul style="list-style-type: none"> Working with the Council to develop a strategy/vision for the future council housing in the borough and its contribution to wider affordable housing provision and growth aspirations.
Learning Barnsley	<ul style="list-style-type: none"> Delivering ESF funded 'Achieve' targets and maximising opportunities to increase apprenticeships and graduate opportunities via external funding
Sustainable Barnsley	<ul style="list-style-type: none"> Developing a funded plan for all council stock to achieve EPC C or above by 2030 and upskilling staff to deliver retrofit and PAS35 accredited works 'in-house'; increasing capacity of retrofit contractors across the borough and ensuring that the Council can fully maximise government funding initiatives which enable accelerated retrofit work.

1.11 A review of the current Annual Business Action Plan has been carried out by BH Executive Management Team. Any actions that won't have been completed by 31/3/2023 have been carried over to the new Business Action Plan for 2023/24. The actions include: -

- The NEC project phase 1 will be complete on target by April 23, but phase 2 has been added to the new Business Action Plan.
- The adoption of Dynamic Resource Scheduling (DRS) following the successful implementation of NEC Housing and Repair Module. There was a delay in the overall Repairs project during 2022/23, but DRS will be implemented by April 23.
- The implementation of C365 Compliance software which was delayed due to the development of the NEC project as these are linked.
- The ESF project has been carried over as this project runs until 2024.

1.12 For the Council, the key priorities for Berneslai Homes over the coming year will be providing assurance that we are meeting all regulatory requirements under the Regulator of Social Housing's new regime. The Regulator of Social Housing has an increased focus on council homes and the compliance with the consumer standards, decent homes and building safety. The new OFSTED type inspections have been announced by the Regulator who will work with the Housing Ombudsman to inspect Council's against the framework. The Council, as landlord, is ultimately responsible for all compliance, regulation and tenant satisfaction and given the relationship with Berneslai Homes as managing agent, the Council needs assurances that the framework is robustly adhered to. There has been a lot of focus by both the Council and Berneslai Homes during 2022/23 to ensure that we are prepared for our new requirements for ensuring building safety, being able to respond to the Tenant Satisfaction Measure performance indicators, ensuring that our governance processes are robust and that we put our tenants at the heart of

our service provision.

One key area will of course be ensuring that a proactive approach is taking to dealing with issues of damp and mould and the timescales for remedy. Berneslai Homes has developed a robust action plan which sets out the approach which will be taken in addressing the repairs and maintenance of these types of issues across our stock. The Council will monitor delivery against the action plan; seeking assurance that our tenants are heard, and that instances of damp and mould are dealt with in a proactive, timely and appropriate manner.

A new KPI suite is under development which will ensure that:

- The Council, as Landlord, can meet its requirements to report against performance, and submit returns, in line with the Regulator's requirements.
- The suite of Service Agreement KPI's that the Council sets for Berneslai Homes remain focussed on continuous improvement and exceeding benchmarks whilst focussing on things that make the biggest impact on our tenants and service delivery as a stock holding council.

- 1.13 Secondly, the Council has instructed Berneslai Homes to look at how they deliver the repairs and maintenance programme; moving focus from a responsive repair programme to one which is better planned and makes best use of limited resources given the pressure for investment on the Housing Revenue Account. These pressures are explained further in the HRA budget report which is presented alongside this report.

PERFORMANCE

- 1.14 As referenced above, Berneslai Homes will provide the Council with an outturn report relating to the 2023/23 Business Action Plan at quarter 4 and this will be presented to Cabinet for information in summer 2023. Appendix 3 provides members with a copy of the performance report for the outturn year 2021/22 and the recently published STAR survey report 2022, which is an independent survey which asks tenants how they feel about the services that they receive from Berneslai Homes and how they feel about their homes and their neighbourhoods. The survey tracks performance over previous years and benchmarks against other providers. This year, the survey questions were amended to best reflect (at that point in time as the emerging Tenant Satisfaction Measures were finalised) the areas that the Council will be asked to report on by the regulator from April 2023. Headlines from financial year end 2021/22 include:
- Good performance on rental collection, time taken to complete repairs, and satisfaction in the landlord providing a safe and secure home.
 - Whilst void turnaround timescales did not meet target, performance had significantly improved on 2020/21 outturns.
 - There were several indicators which very narrowly missed targets and upon which particular emphasis has been made to improve performance during 2022/23: particularly compliance and decency.

1.15 The STAR survey results 2022 show an overall positive picture in which Berneslai Homes benchmarks well against other similar providers. Headlines include:

- Continued high performance against benchmarks in overall tenant satisfaction, safety, and security in the home and in satisfaction with the last repair completed.
- 83% of tenants felt that Berneslai Homes was easy to deal with and 82% are satisfied with their neighbourhood as a place to live – both are well above benchmarks.
- Areas with less ‘standout’ scores were in rent being value for money and the positive contribution that Berneslai Homes makes to the neighbourhood.

It should be noted that whilst there has been some overall reduction in positive scores, this trend is replicated across the housing sector and the report identifies where there is no statistically significant change.

1.16 The Annual Business Plan includes the DRAFT suite of KPI’s for 2023/24. This now comprises the Tenant Satisfaction Measure Requirements (TSM’s) for the Regulator and the DRAFT Barnsley 2030 KPI’s linked to the Strategic Plan and Services Agreement.

2. PROPOSAL

2.1 It is proposed that Cabinet approves the refreshed Berneslai Homes 2021-31 Strategic Plan and Annual Business Plan for 2023/24; reviewing the plan and performance to ensure that strategic priorities contribute to the Council’s 2030 priorities and are focussed on continuous improvement of service and meeting the Council’s regulatory requirements.

3. IMPLICATIONS OF THE DECISION

3.1 Financial and Risk

Financial Implications

Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).

The associated financial implications for the implementation of Berneslai Homes’ Strategic Plan will be presented through both Berneslai Homes’ accounts and the Council’s Housing Revenue Account respectively.

From an HRA perspective, these implications are duly considered as part of the HRA budget setting process, through both the revenue and capital budgets. These papers are scheduled to be presented to Members in January 2023.

There are several risks in the ambitions of/delivering against the Strategic Plan and Business Plan. These are:

- Financial There are significant pressures on the HRA. The issue of zero carbon and retrofitting of homes will have a significant financial impact on the HRA. External funding will need to be maximised to achieve these targets.
- Regulation and Compliance Assurance needs to be provided to tenants, the Berneslai Homes Board, and the Council to ensure that all necessary consumer and regulatory standards are met. Whilst there is a robust governance framework in place, it is essential that the assurance framework is fully embedded and regularly reviewed with timely and robust data and asset information provided to the Council, as required.
- Operations the operational focus and resources have been increased to assist in the delivery of the priorities in the plan and there is significant work on-going to ensure that repairs and maintenance is rebalanced across responsive to planned works; however, there are still some unknowns re: the new Decent Homes standard which could have a significant impact on finances and the 30-year business plan.
- Reputational Berneslai Homes has a key role to play in improving lives across the borough and delivering excellent services. The Strategic Plan sets some ambitious targets, particularly around sustainability and climate change and as an anchor institution, will be expected to be at the forefront of action.

3.2 Legal

As referenced, the Regulator of Social Housing has an increased focus on council homes and the compliance with the consumer standards, decent homes and building safety. The Council, as landlord, is ultimately responsible for all compliance, regulation and tenant satisfaction and given the relationship with Berneslai Homes as managing agent, the Council needs assurances that the framework is robustly adhered to. Failure to comply could result in reputational or financial losses and litigation.

3.3 Equality

A full EIA will be completed following the finalisation of the Action Plan 2023/24; ensuring that actions and activities align with the BH Equality, Diversity and Inclusion strategy and Customer Involvement Agreement within the Strategic Plan.

3.4 Sustainability

Zero carbon is one of the objectives of the Strategic Plan and includes the actions that Berneslai Homes will take to assist in achieving the zero carbon targets as a company in line with their Sustainability Strategy. The management and maintenance of the Council's 18,000 stock will need significant focus, investment, and strategic asset management if it is to increase the energy efficiency of homes to an average of SAP rating C or above by 2030. A key focus for the Business Plan for 2023/24 is to ensure that there is robust data to inform the retrofit plan and to ensure that the

Council and Berneslai Homes are best placed to access funding opportunities for insulation and renewable technologies, as they arise.

The Strategic Plan and Action Plan are aligned to Barnsley 2030 with a key emphasis on providing quality, affordable homes, neighbourhoods and supporting people to achieve their potential.



The Sustainability Wheel shows a strong positive impact on homes, communities and creating quality neighbourhoods in line with the priorities of the Strategy and thus scores green on all areas (the strategy is to improve across all B2030 ambitions), but clearly the strategy needs to be delivered to achieve the outcomes. The Sustainability Wheel shows a positive impact from the development/retrofit of quality of housing, energy use, renewable energy production and reduction of fuel poverty. These can be linked the investment in existing stock via the installation of insulation and renewable technologies – such as air source heat pumps and solar panels and batteries. Retrofit installation and building new homes does increase construction waste and pollution in the short-term; however, these should be offset by the reduction in the use of energy once completed and the reduction in emissions via renewable energy sources.

Working with tenants to encourage recycling and to look after greenspaces should both reduce waste and improve biodiversity; particularly if our estate green spaces are used to promote opportunities for rewilding, the development of tiny forests and district eating schemes. There are also opportunities to make better use of estate car parks and garage sites to provide EV infrastructure and charging points.

Finally, social housing providers have a real opportunity to develop retrofit programmes at significant scale to encourage local supply chains and training and development opportunities for green industry.

3.5 Employee

There are no direct employee implications, at this time.

3.6 Communications

There are no direct communications implications arising from this report. There will be a robust communications plan implemented following renewal of the publication of the Strategic Plan. This will include both internal and external media releases.

4. CONSULTATION

Robust consultations have taken place between BMBC and Berneslai Homes' Senior Management Team and staff, the Berneslai Homes Board and the Tenants' Panel in respect of the Strategic Plan.

5. ALTERNATIVE OPTIONS CONSIDERED

There are no alternative options. Under the Services Agreement, Berneslai Homes must provide a Strategic Plan and Annual Business Plan which sets out their strategic priorities for the coming year alongside other organisational, structural, and financial information.

6. REASONS FOR RECOMMENDATIONS

It is proposed that Cabinet approves the Berneslai Homes Strategic Plan and Annual Business Plan 2023/24; noting the plan's alignment to Barnsley 2030 and the commitment from Berneslai Homes to work alongside colleagues in the Council to continue to strengthen clienting arrangements and to embed the robust assurance framework to meet our legislative requirements under the Regulator of Social Housing.

7. LIST OF APPENDICES

Appendix 1: Draft BH Strategic Plan

Appendix 2: Draft BH Annual Business Plan 2023/24

Appendix 3: Performance Report 2021/22 and STAR Survey Report 2022

8. BACKGROUND PAPERS

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

9. REPORT SIGN OFF

Financial consultation & sign off	Senior Financial Services officer consulted and date <i>Phil Danforth 8/12/22</i>
Legal consultation & sign off	Legal Services officer consulted and date <i>Jason Field 7/12/22</i>

Report Author: Sarah Cartwright

Post: Head of Service Housing, Sustainability and Climate Change

Date: 29/11/22