

**Report of the Executive Director Core Services
and the Executive Director Growth and Sustainability,
to the Overview and Scrutiny Committee (OSC)
on 31st October 2023**

A Review of the Delivery of Housing Service (Berneslai Homes)

1.0 Introduction

1.1 Members raised several queries at the start of the financial year regarding the performance of Berneslai Homes (BH) and challenges/opportunities for the Council, the Arm's Length Management Organisation (ALMO) and the ALMO model. This paper considers the current performance of the ALMO model, taking into consideration:

- Social Housing Reform (under the Social Housing Regulation Act 2023),
- Financial pressures on the Housing Revenue Account (HRA),
- Contribution to the borough's priorities in relation to the Climate Agenda, and
- Housing Waiting List.

1.2 This report responds to several specific queries raised by Elected Members in relation to:

- the ALMO model – with consideration to Value for Money and whether the model remains fit for purpose
- the performance of the ALMO (against the Services Agreement and Tenant Satisfaction Measures)
- the provision of new social homes
- how the organisation is responding to the Climate Agenda
- Lettings and the Waiting List
- concerns over the lack of neighbourhood management

1.3 Item 3b (attached) provides an overview of the performance of Berneslai Homes for 2022/23 (year-end) against key performance indicators set within the Berneslai Homes Strategic Plan, whilst Item 3c (attached) outlines the performance of Berneslai Homes during the first quarter of 2023/24.

1.4 Item 3d (attached) details the results of the Berneslai Homes 2023 Tenant Satisfaction Survey, demonstrating how they currently perform against several of the Tenant Satisfaction Measures (TSM) recently introduced by the Regulator of Social Housing and that the Council will need to report on from April 2024.

2.0 Background

Contractual Arrangements and Remit

2.1 Berneslai Homes was established as an ALMO in 2002. It is a Company Limited by Guarantee, overseen by a Board of Directors and is ultimately wholly owned by the Council (i.e., the Council is the only Shareholder). There is a Services Agreement in place between the Council and Berneslai Homes which sets out the 'contractual' arrangements for the management and maintenance of the Council's 18,000 Housing Stock. Annex 2 of the Services Agreement sets out the delegated responsibilities to Berneslai Homes and identifies those which are retained by the Council as shown below:

HRA & Regulatory Responsibilities

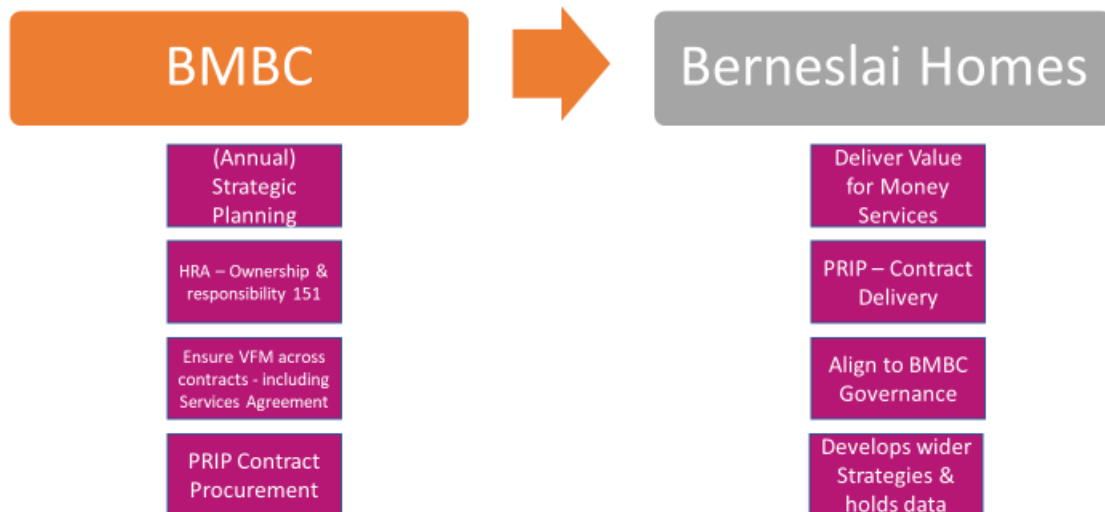
The Council:

- Is the legal landlord of stock
- Owns the properties and is accountable for their management to the regulator of social housing and under Building Safety (Responsible person – Kathy McArdle)
- Berneslai Homes Ltd wholly owned subsidiary and delivery partner (Has own Board with Kathy McArdle as Shareholder Representative as full Board member)
- Defines the services, and can unilaterally change them (Annexe 2 Services Agreement)
- S151 Officer (Neil Copley) responsible for Financial Management of the HRA
- Principal Accountable Person (Building and Fire Safety)

Berneslai Homes Ltd:

- Board structure is set up to provide independent governance
- Has delegated responsibilities to deliver services / strategies (Annexe 2)
- Is arm's length from but is accountable to the Council...

HRA Responsibilities



2.2 The Services Agreement was renewed in 2021, and there is a 10-year contract in place for the management of the Council's homes (2021-2031). As part of the contract renewal, Berneslai Homes is required to produce a Strategic Plan (2021-2031) and an annually produced business action plan which sets out priorities for the coming year, highlighting alignment to the Strategic Priorities within the Strategic Plan and the Council's wider Strategic Priorities under Barnsley 2030. A suite of performance indicators is reviewed annually, and these now include the Tenants Satisfaction Measures (TSMs) recently set by the Regulator of Social Housing (RSH). The Council, as Landlord, must report performance against the TSMs annually from April 2024.

- 2.3 The Council has officer representation on the Berneslai Homes Board. Kathy McArdle, Service Director Regeneration and Culture, is the Council's shareholder representative and is a full voting member of the Board. Berneslai Homes is also solely owned by the Council and therefore the Council's voice at Board has significant weight. Two Councillors are also nominated by the Council to sit on the BH Board. Whilst they do so as Directors of the company, they also represent the Council and therefore must bring due consideration of the impact BH delivers for the Council across the borough.
- 2.4 Further to a review of Housing Services in 2017/18, the Council directly manages the Housing Revenue Account (HRA) and the delivery of any Council build and acquisitions programme. These two services were previously managed by Berneslai Homes (although the HRA has always been owned by the Council - as is all stock).
- 2.5 Members should note that, whilst the Council delegates the management and maintenance of its council housing stock to Berneslai Homes, it is Barnsley Council that is ultimately the landlord of these properties and is accountable to the Regulator of Social Housing. Further to new legislation around Building and Fire Safety, the Council is also the Principal Accountable Person for Building Safety (with reference to the borough's high rise) and holds responsibilities (which cannot be delegated) for fire safety. This brings an additional level of responsibility for the Council as landlord which Members need to be aware of.

ALMO Background

- 2.6 ALMO's were originally set up by Local Housing Authorities to gain access to additional government funding under the Decent Homes Programme, which concluded in 2012. The Council is a member of CWAG (Council's with ALMO's LA Group). There are currently 24 ALMO's (previously 69), with Nottingham and Lewisham in the process of bringing their ALMOs back in-house. Tower Hamlets undertook a review in 2021/22 but took the decision to retain the ALMO arrangement. Doncaster Council have also just renewed their contract with St Leger Homes Doncaster for five years. This was following a review of services and Value For Money (VFM).

3.0 Current Challenges for the Council/ALMO

Regulatory Changes

- 3.1 As referenced in several reports to Cabinet and Full Council since 2020/21 (the latest in July 2023 (Cab 12.7.23/11)), regulation within the sector has been significantly strengthened following the Social Housing White Paper in 2020 and amendments to the Social Housing (Regulation) Bill which received Royal Assent in 2023. The amendments to the Bill provide the legal basis for many of the changes set out in the White Paper which seeks to deliver transformational change within the sector to empower residents, provide greater redress, better regulation, and improve the quality of social housing - giving greater powers to both the regulator and housing ombudsman and re-defining the role of landlord in terms of both accountability to the regulator and health and safety. As a landlord, the Council is ultimately responsible for meeting its regulatory requirements under the consumer standards set by the Regulator of Social Housing. The Council must thus have a robust Assurance Framework in place to ensure that our service provision (delivered by Berneslai Homes as part of the Services Agreement) meets all Consumer Standards, performs well and to the satisfaction of our tenants; ensuring the tenant voice is heard and at the heart of everything we do.
- 3.2 The regulatory changes have made all Local Authorities with ALMOs review how they manage the arm's length arrangements across their organisations, with many previously having a 'hands off' approach to contract management. At Barnsley, the Council commissioned ARUM, an independent consultant, to undertake a review of the Council's client and contract management

arrangements in relation to the Services Agreement with Berneslai Homes in Spring 2021. The review advised on areas for improvement in relation to client governance, identified areas where strategic intent/alignment with the Council's priorities could be strengthened, and prompted the development of a more stringent performance framework to ensure that the Council can meet (and evidence) all its requirements under the regulatory changes being implemented by the RSH. Since then, officers within the Council and Berneslai Homes have worked together to strengthen governance arrangements and ensure that the Council receives sufficient assurance from our ALMO that our homes and estates are being managed efficiently and effectively. There is a robust performance framework (which incorporates the TSMs) and a series of dashboards relating to compliance, complaints, ASB and progress in undertaking 100% stock condition surveys, which provide the Council with more information and data regarding our stock and the performance of the ALMO against the Services Agreement. However, there is still work to do in terms of preparing for the new regulatory regime, and a Social Housing Regulation Board has been established across the Council and Berneslai Homes to undertake a self-assessment of readiness for inspection against a toolkit provided by the Housing Quality Network (HQN). This work will complete at the end of October 2023. A report will be prepared to update Portfolio Members in November 2023.

The ALMO Model

- 3.3 In exploring whether the ALMO model remains fit for purpose, given the new regulatory framework, there are both pros and cons. From a pro's perspective, the ALMO arrangement has meant that the Council and Berneslai Homes have been on the front foot in terms of developing an assurance framework; acknowledging that there previously was not the right level of involvement and scrutiny in the management of such a significant contract. Barnsley has a single focussed area dealing with Council Tenants and services, and officers at Berneslai Homes can focus on delivering services to tenants as the organisation's sole focus, rather than the much wider remit that a local authority has from a general and housing perspective. They also have the technically qualified staff in house to deliver services. The cons of the model include the additional assurance required by the Council, given that it is a step removed from service delivery, performance frameworks and direct access to systems and data. The Regulator of Social Housing is also used to dealing with Housing Associations in the main, and so there are ambiguities in the development of policies and processes as the Regulator struggles to understand the ALMO model and roles/remits across it. The risks in meeting our regulatory requirements are further documented in the risks section of the report presented to Cabinet entitled 'Planned Regulation Changes for the Social Housing Sector: Implications for the Local Authority and ALMO and review of the existing Clienting Assurance Framework'.

Financial Pressures on the Housing Revenue Account (HRA)

- 3.4 Whilst the Social Housing Act is welcomed across the sector, it should be noted that planned legislative changes, including plans to amend the decent homes standard, the inspection regimes, any further changes to regulations and requirements for professional qualifications (the details of which are all yet to be confirmed) will have significant implications for the sector from both a Housing Revenue Account (HRA) financing and resourcing perspective. There are real and continued pressures on the HRA following significant statutory changes around enhanced compliance, building safety, and retrofit – all of which were not considered previously within HRA Business Planning nor the self-financing settlement. Whilst enhanced standards across the housing sector are welcomed, over the last two years, the Council has funded significant proactive programmes to enhance smoke and carbon monoxide alarm systems, deliver enhanced fire safety measures within our high rise and Independent Living Schemes, and accelerated delivery of electrical inspections – moving from a 10 to 5-year inspection regime. There is also a requirement to bring all stock up to an Energy Performance Certificate (EPC) rating of C or above by 2030; currently estimated to cost around £58M. This figure is based on consultancy work undertaken by Savills which, at the time, relied on desktop and cloned

information. The full stock condition surveys, due to be completed on 100% of our properties by the end of March 2024, will provide more robust information to inform the retrofit investment programme, going forward.

- 3.5 It should be noted that there is currently a backlog of planned works which is impacting on tenant satisfaction and resulting in an increase in complaints and disrepair cases. The backlog originates from works which were reported in the previous year/s but were unable to be completed in-year due to the large volume (there was a big increase in repairs reported in the aftermath of all Covid restrictions being lifted e.g. from December 2021) and limits on both contractor resource and budgets. It is a priority for Berneslai Homes and its contractor partners to complete these works as quickly and efficiently as possible, whilst ensuring that there is not an overspend situation in-year.
- 3.6 The budget setting process for 2024/25 will commence shortly, alongside discussions regarding rent setting to inform the overall HRA Budget. As with last year's budget, there will be some difficult decisions for Members to make in terms of continuing to invest in our Council stock and meeting all regulatory requirements whilst balancing increases in rents and service charges for tenants. Last year, the Council set its rent increase at 6.5%, which was below the Government's rent threshold (this was outside of the rent formula of CPI plus 1%) of 7%. This year, Government and the Department for Levelling Up, Housing & Communities (DLUHC) are very much encouraging local authorities to maximise on rent increases to ensure that they can continue to manage and maintain stock in line with the Regulator's Consumer Standards and retain a balanced Housing Revenue Account Budget.

4.0 Specific Areas of Focus

Value for Money

- 4.1 To date, £1M of service efficiencies have been identified by Berneslai Homes; however, a further £2M of efficiencies is required during 2024/25 to ensure a balanced HRA budget. Berneslai Homes has advised that these savings will be realised from the implementation of the new repairs system, Repairs First, and investment changes – although a detailed proposal is to be provided as part of the budget setting process. Some of the previously identified efficiencies have been used to fund increased regulatory requirements to meet compliance and safety standards and meet the priorities within the Strategic Plan. There have been considerable additional requirements arising from the Regulator of Social Housing and the changes to building and fire safety (as referenced at 3.4). In managing the HRA, the Council has a responsibility to ensure that the ALMO delivers a Value for Money service to our tenants, making best use of rents and the resources available.
- 4.2 Berneslai Homes has advised that the introduction of the new IT system for repairs from January 2024 will allow a scheduling system for repairs that will create significant efficiencies in the process, which could generate savings of circa £2.0M - £2.5M. Of course, this will need to be monitored.
- 4.3 The Berneslai Homes management fee (c.£15M) is also subsidised annually from the surplus generated by the repairs and investment contract works undertaken by Construction Services (circa £0.6M).
- 4.4 In terms of added value, Berneslai Homes provides a wide range of services to tenants including tenancy, mental health, and financial support. External funding is also received for employment and training initiatives (ending December 2023). Other work includes apprenticeships, work placements and graduate placements with a focus on providing opportunities for tenants.

- 4.5 Compared to other housing providers, national independent data from Housemark illustrates that Berneslai Homes is currently a good performing, low-cost organisation. Housemark is the lead data and insight company for the UK and is jointly owned by the National Housing Federation and the Chartered Institute of Housing. The Council will also undertake additional benchmarking with similar organisations as annual survey results (such as the Survey of Tenants and Residents (STAR)) are starting to come through from 2023/24. There is currently a lag on Housemark data which makes it difficult to accurately benchmark against the new TSMs etc, at present.

Benchmarking (Housemark Report Nov 2022)

Indicator	Berneslai Homes	Housemark Benchmark (Median)
Housing Management (CPPPA ¹)	£306	£396
Responsive Repairs & Empty Homes Cost (CPPPA)	£583	£600
Empty Homes Average Cost Per Property	£1,836	£2,713
Major Works & Cyclical (CPPPA)	£1,272	£1,552
Average Number of Repairs (PPPA)	4.8	2.7

Council Build Programme 2023/24

- 4.6 The Council is currently building 60 new homes as part of the Council Build Programme 2023/24. There are an additional 9 properties at pre-planning stage which will be delivered as part of the Goldthorpe Housing Project (Town Deals) by 2025/26. The 60 homes are all due to complete before March 2024 (41 of which are for social rent). All our Council Build social homes are built to the Barnsley Low Carbon Standard (EPC A). During last year's budget setting, it was not possible to commit funding to any additional council house build schemes as the HRA had to prioritise investment in existing stock to ensure decency and health and safety compliance. This year as part of the budget setting process, officers have worked closely with the Council's Finance team to explore opportunities to invest in increasing stock via a mix of direct build and acquisitions over 2024-2029. This includes looking at all options to maximise Right to Buy receipt flexibilities (granted to local authorities during 2023/24), Homes England Grant and innovative land disposal/contracting opportunities. A detailed programme and investment approach will be presented to Cabinet in the new financial year, but it is hoped that up to 200 new homes could be delivered over the next 5 years. It should be noted that this does not off-set losses through Right to Buy, which are usually 100-150 per annum – although during 2023/24 sales have dropped and it is predicted that 50 sales will complete within the financial period.

Berneslai Homes Performance

- 4.7 A report was submitted in August 2023 to provide Cabinet with an update relating to the performance of Berneslai Homes during 2022/23 as part of the agreed Assurance Framework in place between the Council and Berneslai Homes and in line with the requirements of the Services Agreement. The report included a summary of the year-end performance for 2022/23 (Item 3b - attached) against agreed Key Performance Indicators (KPIs) set within the Berneslai Homes Strategic Plan 2021-2031 and review of progress against the Annual Business Action Plan 2022/23.

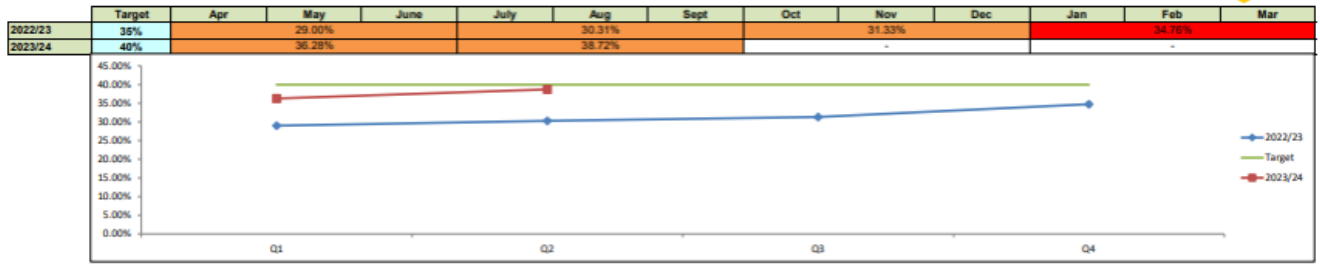
¹ Cost per property per annum

- 4.8 To date, the Council has received Q1 performance for Berneslai Homes during 2023/24 (Item 3c – attached). Berneslai Homes officers have received the outcome of the STAR survey for 2023 which provides outturn results for several of the TSMs that the Council will need to report to the Regulator of Social Housing in April 2024 (Item 3d – attached).

Berneslai Homes Contribution to the Climate Change Agenda

- 4.9 From a property perspective, there is a commitment from Berneslai Homes and the Council to ensure all homes meet the Energy Performance Certificate (EPC) rating of C by 2030 and work is on-going to develop a wider retrofit plan which embeds energy efficiency measure into existing programmes. A report was submitted to Cabinet earlier in the year which set out the approach to a pilot programme, Berneslai Homes' Sustainability Strategy and plans to use stock condition and EPC data to inform future investment programmes. All opportunities are also being taken to access Government Retrofit Funds such as the Social Housing Decarbonisation Fund.
- 4.10 Berneslai Homes Sustainability Strategy 2022-27 was developed in alignment with the Council's ambition, which is for Berneslai Homes to become net zero by 2045, or earlier if possible, and the government has set a target for social housing providers to attain a minimum energy rating EPC C by 2035 (2030 for "fuel poor" households). The approach aligns with Berneslai Homes Strategic Plan and the ambitions of "Zero Carbon".
- 4.11 Summary of progress against Sustainability Strategy annual plan 2022/23 success measures:
- LAD2 (Local Authority Delivery) delivered retrofit to 32 Council homes (complete)
 - SHDF (Social Housing Decarbonisation Fund) wave 1 to deliver retrofit to 69 Council homes (commenced)
 - SHDF wave 2 to deliver retrofit to a further 148 Council homes (commenced)
 - Berneslai Homes Construction Services delivering full retrofit to 2 'difficult to treat' homes to support accreditation of PAS2030 (commenced)
 - Age UK Barnsley in partnership with Energise Barnsley Ltd delivered solar batteries to 75 Council Homes (complete)
 - Void and Barnsley Homes Standard (BHS) specifications reviewed to include additional measures to support energy efficiency i.e., LED lighting, ventilation extraction fans, loft insulation depth min. (commenced)
 - Green Upskilling and Carbon literacy eLearning for staff. (Carbon literacy complete, Green Upskilling commenced)
 - EPC Retrofit Kickstart Project Pilot - Wates undertaking 20 property pilot to test retrofit delivery model through Property Repairs and Maintenance Programme (PRIP) integrated with BHS/decency capital schemes currently (commenced)
 - Surplus generated by the rent increase of 6.5% in April 2023 is being used to service additional borrowing of around c.£30M to contribute towards the estimated £60M cost of bring all properties to at least EPC C standard by 2030. (commenced)
- 4.12 EPC ratings of stock (as of August 2023), 5,296 properties were rated EPC C or above. This is an increase of 1,667 to EPC C or above since September 2023.
- 4.13 The graphic below shows the percentage of Berneslai Homes stock EPC C or above, demonstrating a positive trajectory.

Table 5 - Percentage of Properties with an EPC C or above (BH5)



- 4.14 From an organisational perspective, Berneslai Homes operate an agile working approach reducing commutes to work and business mileage. They also operate a car lease scheme (like the Council's) for staff members to encourage the use of electric vehicles.
- 4.15 The delays in the development of suitable vehicles with sufficient range to meet the requirements of the Repairs Contract, and the current lack of adequately positioned charging infrastructure in the borough, has been offset by ensuring business mileage is minimised as staff members drive directly to their first job each day. The new dynamic scheduling system to be introduced in January 2024 will ensure operatives are allocated work geographically and this is expected to reduce business mileage further.
- 4.16 The total Berneslai Homes Construction Services (BHCS) fleet consists of around 182 vehicles including the average number of short-term hires. There is a commitment to have a zero-carbon fleet by 2030, subject to infrastructure and fit for purpose vehicles in term of range and payload capacity. The current electric vehicles have come with mixed success. The smaller vehicles have been very successful in terms of range and reliability; however, the larger types are not currently viable.
- 4.17 Berneslai Homes' Transport Manager works closely with the Council's Fleet Services, who provide the fleet to BHCS, to look at the most appropriate vehicles at time of replacement. They also network with other organisations with a fleet to see how they are progressing with the challenges of the move to a zero-carbon fleet and share any learning from this.

Waiting List Management

- 4.18 Members will be aware that whilst numbers on the Council's Housing Waiting List have continued to rise over the last few years, we have had a decreasing number of homes becoming available to relet year on year. To ensure that the Council makes the best use of housing stock to address housing need, Cabinet approved a full review of the Council's Lettings Policy in March 2021. The policy changes will ensure that the Council can improve how it allocates council stock within the borough to better meet housing need, meet the expectations of applicants and make the best use of administrative resources.
- 4.19 Berneslai Homes manage the Housing Register on behalf of the Council, and they are in the middle of reviewing applications to prepare for the new Barnsley Homeseeker Scheme (the new Lettings Policy 2023 – approved by Full Council in February 2023) which will become effective in January 2024.
- 4.20 The key objectives of this new policy are:
- To respond to housing need in the borough by making the best use of council housing and other available social housing.
 - To give reasonable preference to meet the housing needs of those households in greatest need and prevent hardship to themselves or others. This includes additional support to

provide temporary homeless accommodation which will prevent out of area bed and breakfast placements.

The Housing Register

4.21 The information in the following table shows the size and band profile of the register before the review commenced (end March 2022). The table provides a pre-review (at 06/09/2023) and post-review figure for each band.

Band	2022 (end March)	2023 (pre review)	Estimated Dec 23
1 (urgent need)	346	336	175
2 (high priority)	994	1214	640
3 (identified need)	855	1019	1000
4 (low need)	6753	7355	2400
5 (no local connection with no or low need)	576	615	0
TOTAL	9,524	10,539	3,315

Note - in terms of waiting list numbers prior to the review commencing, 21% of these were existing Council (Transfer) Tenants, 79% were new applicants, a mixture of Private Rented Sector (PRS) Tenants, Homeowners, Homeless and those living with family and friends. Figures for December 2023 have been estimated as a result based on the number of people with no actual need (already in a suitable home), or those who can address their own housing needs no longer being eligible to join the list.

4.22 In terms of the minimum number of bedrooms required for applicants in priority groups (in band 1, 2 and 3):

	Band 1	Band 2	Band 3
1 Bedroom	43%	39%	38%
2 Bedroom	33%	31%	35%
3 Bedroom	15%	20%	18%
4+Bedroom	8%	10%	9%

Note - the waiting list numbers had increased in 2023 prior to the review as the regular quarterly re-registration process, which results in high numbers of cancelled applications for the lowest priority bands, had been paused. This is not indicative of a significant increase in demand between 2022 and 2023. The estimated figures for bands 1, 2 and 3 are based on the decisions made to date during the ongoing registration process. For Band 4, 31% of the existing applicants have remained on the waiting list following the review process.

- 4.23 The Lettings Team reviewed 695 owner occupiers with no assessed housing need in band 4 in May 23 and advised them that under the new policy they would no longer qualify. Only 92 asked to stay on the register, these will be cancelled in December 2023.
- 4.24 The Lettings Team reviewed 615 out of district applicants with no local connection in March 2023 with most not returning their review. All remaining applicants will be cancelled in December 2023.
- 4.25 The Lettings Team has around 1,000 new applications which are awaiting registration. They are contacting those with low priority (approximately 700) to ask them if they want to continue with their application considering the supply and demand of housing stock and the new policy provisions (it is estimated that approximately 500 applications will continue). Of those with some indication of housing need, most are likely to go into band 3 (approximately 300 applications). High priority new applications are prioritised for processing within 20 days from receiving all required evidence.

Neighbourhood Management

- 4.26 There have been concerns that there isn't sufficient/consistent Neighbourhood Management across our council estates. The Neighbourhood Teams have recently undergone a service review and restructure. Influences around this area of work were considered as part of the review including the Social Housing White Paper (now the Social Housing (regulation) Act 2023), customer feedback and insight, the increase in low level Anti-Social Behaviour (ASB), housing management cases becoming increasingly resource intensive and the impact of the cost-of-living crisis. The service review was supported by Housemark.
- 4.27 The review and restructure modernised Berneslai Homes' approach to Neighbourhood Housing Management, ensuring the teams are flexible and focussed to meet the needs of the business. There has been a 45% reduction in managerial level positions with resources being redirected in to front line Neighbourhood Officer roles. The structure change has delivered a 25% increase in frontline posts and reduced officer patch sizes by approximately 10%, helping to support tenants and communities more effectively. A corporate service administration review which is currently underway, will deliver dedicated administrative support to the teams which will free-up time for Neighbourhood Officers to focus on those issues that matter most to communities
- 4.28 While the number of Neighbourhood Teams have reduced from 5 to 4, Berneslai Homes have established a standalone ASB Team supported by the 24/7 Respect Line for tenants to improve this aspect of the service and strengthen work with the Council's Safer Neighbourhood Services.
- 4.29 The initial focus, in the first 6-12 months following the restructure is around 'getting the basics right.'
- 4.30 Berneslai Homes is aware that tenants, including the Tenant Voice Panel (TVP) representatives, have raised concerns regarding the consistency of neighbourhood management support across estates during implementation, and a series of joint events (with the TVP) were arranged for tenants to 'Meet the Teams' in their communities. Inevitably changes on this scale have also brought about recruitment challenges which will have impacted upon resources available during the transition to the new service.

5.0 Future Plans & Challenges

- 5.1 As referenced in the report, there are some key pieces of work which are on-going which will inform the Council and Berneslai Homes' readiness for regulation and inspection, including the results of the STAR survey (which will inform the TSM submission for benchmarking from April 2024). From an assurance perspective, the implementation of the Repairs First and C365 IT

systems are fundamental to planned improvements. The data that we hold on our assets and people, along with the repairs service that we are able to provide to our tenants will help us to collectively realise the predicted efficiencies arising from these system upgrades. The future of a balanced HRA relies on this and other efficiencies generated within the ALMO model. The implementation of the new Lettings Policy will ensure that we make the best use of the stock that we have and does not set unrealistic expectations of re-housing to those that we cannot prioritise but ensures that we are able to provide advice and assistance regarding other housing options. There are risks in implementing both new systems and policies, which will need to be closely monitored and managed over the coming months.

- 5.2 As highlighted above, there are significant changes within the social housing sector which the Council needs to ensure that it can effectively respond to, including the assurance that it receives from the ALMO in delivering VFM management and maintenance functions across our council stock. Whilst there has been significant work undertaken by both the Council and ALMO to develop a robust assurance framework and governance structure which can adapt to the new regulatory arrangements, there are still key projects/pieces of work outstanding which will improve assurance and transparency for the Council. Audit and Governance Committee have recently been provided with a training session on the new regulatory framework, the associated actions and risks for the Council, and will be provided with a regular update regarding progress against the development of a revised Assurance Framework.

6.0 Invited Witnesses

- 6.1 The following witnesses have been invited to the meeting to answer questions from the Overview and Scrutiny Committee regarding their role in this area of work:

- Matt O'Neil, Executive Director Growth & Sustainability, Barnsley Council
- Kathy McArdle, Service Director, Regeneration & Culture, Growth & Sustainability, Barnsley Council
- Alison Dalton, Group Leader Strategic Housing, Growth & Sustainability, Barnsley Council
- Neil Copley, Director of Finance, Core Services, Barnsley Council
- Ashley Gray, Strategic Finance Business Partner, Core Services, Barnsley Council
- Amanda Garrard, Chief Executive, Berneslai Homes
- Arturo Gulla, Executive Director of Property Services, Berneslai Homes
- Dave Fullen, Director of Customer & Estate Services, Berneslai Homes
- Cllr Robin Franklin, Cabinet Member Regeneration & Culture, Barnsley Council

7.0 Possible Areas for Investigation

- 7.1 Members may wish to ask questions around the following areas, including the top two which have been provided by the Berneslai Homes Tenant Voice Panel:

- How are Berneslai Homes going to ensure that the independent voice of tenants is being heard and influences decision making at every level in the organisation?
- What actions are Berneslai Homes taking to resolve the communication issues raised in the Tenant Satisfaction Survey?
- What does Berneslai Homes do well and how do you celebrate success?
- What is Berneslai Homes doing that might be of interest to other ALMOs?
- What are the current and future key strategic risks for Berneslai Homes?

- Looking at the performance reports, how confident are you that tenants are safe, and what more needs to be done to achieve 100% of the Health & Safety requirements?
- What are your thoughts on the results of the Tenant Satisfaction Survey, and what do you think is the main driver for overall tenant satisfaction falling in 2023?
- During 2022-23, why do you think only 68% of tenants felt listened to?
- What more needs to be done to improve Anti-Social Behaviour and enforce the expectations set out in tenancy agreements?
- During 2022-23, what trends can be identified from complaints about Berneslai Homes and have any resulted in financial redress or compensation for tenants at an additional cost to the council?
- When do you expect to have caught up with all outstanding repairs? Are there sufficient resources to do this within the current financial year?
- Is the strategic plan deliverable and what are the main barriers?
- Can you give an example of a recent change made following feedback from tenants?
- What more needs to be done to improve governance arrangements?
- How is Berneslai Homes held to account for spending decisions?
- What are the penalties for not meeting the requirements of the agreement with the Council and how would this be enforced?
- Within the new Lettings Policy, how confident are you that assessment of need is realistic to ensure that the right people, receive the right support, at the right time, and in the right place? What evidence base has been used to determine thresholds?
- What can Elected Members do to support this area of work?

8.0 Background Papers and Useful Links

8.1 Members may find the following information useful:

- Item 3b (attached) – Berneslai Homes Performance Report 2022-23 Year End
- Item 3c (attached) – Berneslai Homes Performance Report Quarter 1 2023-24
- Item 3d (attached) – Berneslai Homes Tenants Satisfaction Survey 2023
- Berneslai Homes Strategic Plan 2021-31:
<https://www.berneslaihomes.co.uk/media/nmfieetb/strategicplan2021-31.pdf>
- Berneslai Homes Annual Performance Plan 2022/23:
<https://barnsleymbc.moderngov.co.uk/documents/s109377/Report.pdf>
- Berneslai Homes Annual Business Plan 2022/23:
<https://barnsleymbc.moderngov.co.uk/documents/s109658/Appendix%20B%20-%20BH%20Annual%20Business%20Plan%20202223.pdf>

- Lettings Policy 2023 Report to Cabinet (8.2.2023/8):
<https://barnsleymbcintranet.moderngov.co.uk/documents/s104007/Report.pdf>
- Lettings Policy (Barnsley Homeseeker Scheme):
<https://barnsleymbcintranet.moderngov.co.uk/documents/s104008/Appendix%201%20-%20Final%20DRAFT%20Lettings%20Policy%202023.pdf>
- Planned Regulation Changes for the Social Housing Sector: Implications for the Local Authority and ALMO and review of the existing Clienting Assurance Framework Report to Cabinet (Cab. 12.7.23/57):
<https://barnsleymbc.moderngov.co.uk/documents/s108647/Report.pdf>

In addition, background papers relating to the Berneslai Homes Sustainability Strategy are available upon request.

9.0 Glossary

ALMO	Arms-Length Management Organisation
ASB	Anti-Social Behaviour
BHS	Barnsley Homes Standard
BHCS	Berneslai Homes Construction Services
CPI	Consumer Price Index (Inflation)
CWAG	Council's with ALMOs Group
DLUHC	Department for Levelling Up, Housing & Communities
EPC	Energy Performance Certificate
HQN	Housing Quality Network
HRA	Housing Revenue Account
LA	Local Authority
OSC	Overview & Scrutiny Committee
PRIP	Property Repairs and Maintenance Programme
PRS	Private Rented Sector
RSH	Regulator of Social Housing
SHDF	Social Housing Decarbonisation Fund
STAR	Survey of Tenants and Residents
TSM	Tenant Satisfaction Measures
TVP	Tenant Voice Panel
VFM	Value for Money

10.0 Officer Contact

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