

BARNESLEY METROPOLITAN BOROUGH COUNCIL

REPORT OF: EXECUTIVE DIRECTOR OF GROWTH & SUSTAINABILITY

TITLE: BERNESLAI HOMES STRATEGIC PLAN & ANNUAL BUSINESS PLAN 2024/25

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| REPORT TO: | Cabinet |
| Date of Meeting | 24 January 2024 |
| 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 2024/25 (Appendix 2).

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 2024/25.
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 for 2024/25 which will align to the Regulator's Tenant Satisfaction Measures), and associated appendices as may be identified.

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 governance arrangements and year 2 progress will be reported formally to the Council at the end of quarter 4 2023/24. 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 review in 2021 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 review. Minor changes have been made to the introduction (page 3), and some wording changes to page 5 to reflect the current external environment. Some of the success measures have also been amended to reflect discussions around evidencing success and where measures have been achieved. The success measures are now measurable based on data collection and continuous improvement can be plotted from the current baseline to 2031. It should be noted these success measures have been amended slightly as the plan moves into year 3 to better reflect the ambitions of Berneslai Homes and the external environment. The main changes are identified in the table below:

| Current success measure | Proposed success measure | Change |
|--|---|--|
| High levels of customer satisfaction | Peer group top quartile | To reflect measurable benchmarking against TSMs. |
| Complaints rate in peer group top quartile | Complaints responded to in peer group top quartile | In line with TSMs. |
| Tenants are satisfied with our actions to keep communal areas clean and safe | Tenants are satisfied with our actions to keep communal areas clean and well maintained | Updated to reflect definition of TSMs. |
| 100% of apprentices secure a permanent position | 100% of apprentices achieve a relevant qualification | Updated to reflect the current economic climate. |
| 80% of processes that don't add value will be automated | 80% of processes have been reviewed, streamlined and where possible automated | To reflect a SMARTer and Measurable Target. |

| | | |
|--|---|--|
| 5% reduction in the cost of day-to-day housing repairs through improved scheduling of work | 10% increase in productivity through improved scheduling of work. | This is proposed due to the increase in R&M costs since the initial success measures were proposed (inflation etc.). The outcome will be more jobs per operative which means BH more work can be delivered with the same staff, this will reduce hourly rate and should help to reduce subcontracting. |
| Less than 2% subcontractor labour | 90% of non-specialist work will be delivered in house | To reflect changes to work requirements within PRIP (and resourcing). |
| Fleet 100% electric | Fleet 100% zero emissions | To remain flexible to options for fleet. |

The success measures related to ESF funding have been removed due to funding having ceased from December 23.

1.6 A copy of the refreshed Strategic Plan is located at Appendix 1.

Annual Business Plan 2024/25

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 2024/25 DRAFT Annual Business Action Plan is located at Appendix 2.

1.8 Berneslai Homes have developed the 2024/25 Annual Business Plan working closely with the Berneslai Homes Board, staff, and Customers; with the draft plan set to be endorsed at the Berneslai Homes Board on 7th December 2023. 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 24/25 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 high level strategic actions for the coming year (in brief) include:

| | |
|----------------------|---|
| Healthy Barnsley | <ul style="list-style-type: none"> • Implement phases 1.1 and 1.2 of Repairs First and DRS and ensure the new system is used to deliver efficient, effective, and timely customer services, addressing diverse needs and vulnerabilities. • Improving data quality, accuracy and maturity and using this data to tailor services to tenants • Using technology to streamline services and review and automate processes where possible |
| Growing Barnsley | <ul style="list-style-type: none"> • Implement the letting policy and reviewing its impact |
| Learning Barnsley | <ul style="list-style-type: none"> • Strategic workforce planning incorporating professionalism agenda, succession, and workforce planning) |
| Sustainable Barnsley | <ul style="list-style-type: none"> • To achieve EPC C by 2030 and Net zero by 2045 develop approach to sustainability) |

1.11 A review of the current Annual Business Action Plan has been carried out by BH Executive Management Team. Any strategic actions that won't have been completed by 31/3/2024 have been carried over to the new Business Action Plan for 2023/24. The Executive Management Team have reviewed the Annual Business Plan to ensure that the strategic objectives are high level. The action carried over is: -

- The NEC project phase 1.1. Phase 1.2 will be complete on target by end of 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 following the Social Housing Regulation Act receiving Royal Assent in July 2023. The Regulator of Social Housing has an increased focus on council homes and compliance with the consumer standards (currently under revision), 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 consumer framework from April 2024. 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 we remain fully compliant with all Consumer Standards and TSMs and are fully prepared for inspection.

1.13 A report was submitted to Cabinet and Full Council in July 2023 which updated members on the regulatory changes and implications across the partnership, sought approval for the Building Safety Governance structures to ensure that the Council can meet its requirements under the Building and Fire Safety Acts, and set out an action plan to further strengthen the current Assurance Framework arrangements. This included undertaking a self-assessment against the Housing Quality Network's (HQN) toolkit to prepare for inspection and to develop a focussed action plan to address any areas of

weakness/required improvement. The Council and Berneslai Homes will be working through the action plan during the remainder of 2023/24 to ensure that the Council is fully prepared for inspection, as and when this is announced.

- 1.14 Another key priority for the Council is to ensure that Berneslai Homes maximises the opportunities that the investment in the new IT systems will bring for both improved customer service to our tenants and efficiencies in the delivery of the repairs and maintenance functions. The Council has also 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, and the in-year approach for 2024/25, are explained further in the HRA budget report which is presented alongside this report.
- 1.15 The Council is also keen to ensure that the engagement model (the Tenant Voice Panel) remains robust, inclusive and that our tenants are fully involved in the development of key policies and strategies, including work to prepare for inspection, and that our tenants remain at the heart of service design and delivery.
- 1.16 The proposed KPI suite for 2024/25 reflects the Tenant Satisfaction Measures (TSM) and targets will be revised following the TSM reporting from the regulator early next year. The KPI's 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 median benchmarks whilst focussing on things that make the biggest impact on our tenants and service delivery as a stock holding council.
- 1.17 The Annual Business Plan includes the DRAFT suite of KPI's for 2024/25. This 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 2024/25; 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

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 a 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 early 2024.

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

- Financial The HRA is heavily reliant on Berneslai Homes managing the Responsive Repairs & Capital Replacement Programmes in line with the resources allocated as part of the 2024/25 HRA Budget Report.
- 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.

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.

2.3 Equality

A full EIA has been completed; 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 2024/25 is to ensure that robust stock condition data is used 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.

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 and Annual Business Plan 2024/25. 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 Tenants' Customer Panel in respect of the Strategic Business Action 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 2024/25; 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 2024/25

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

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| Financial consultation & sign off | Senior Financial Services officer consulted and date <i>Ashley Gray – Strategic Finance Business Partner 20-11-23</i> |
| Legal consultation & sign off | Legal Services officer consulted and date: Ian Goldsmith 22.11.23 |

Report Author: Sarah Cartwright
Post: Head of Strategic Housing
Date: 17/11/2023