

Item 5a

**Report of the Director of Human Resources,
Performance & Communications
to the Overview and Scrutiny Committee (OSC)
on 9th February 2016**

Berneslai Homes Annual Report 2014-15 – Cover Report

1.0 Introduction & Background

1.1 In 2002, Berneslai Homes was established as Barnsley Council's Arms Length Management Organisation (ALMO) responsible for the management and maintenance of its housing stock, which it has continued to be responsible for to date. In November 2015, the Council's Cabinet agreed to extend the current contract for a further five years upto 31st March 2021. The contract renewal was subject to a number of conditions which it was agreed that Berneslai Homes had met. These criteria cover:

- 1) Service Delivery
- 2) Governance Arrangements
- 3) Management; and
- 4) Organisational Efficiencies

1.2 Berneslai Homes are a key partner of the Council in ensuring it can meet its three priorities: a thriving and vibrant economy; people achieving their potential; and strong and resilient communities. Therefore, the Council's Overview and Scrutiny Committee (OSC) have requested to consider Berneslai Homes' work and performance periodically.

1.3 Berneslai Homes' Annual Report 2014-15 (Item 5b - attached) provides an overview of their services and results from their customer satisfaction survey including:

- letting homes
- supporting tenants
- repairing and investing in homes
- keeping neighbourhoods safe and clean
- delivering excellent customer services

1.4 The key performance indicators from Berneslai Homes' corporate performance report are provided in Item 5c (attached) which details their comparative overall performance figures since 2012-13 as well as a quarterly breakdown of figures during 2014-15.

2.0 Challenges

2.1 Berneslai Homes continue to operate in an economic environment which is both challenging to them as an organisation as well as for individual tenants. Changes to Government policy are also likely to have an impact on service delivery, some of which are listed below:

- **Universal Credit** – under this scheme, rents from benefits will no longer be paid directly to landlords and instead will go to individual claimants. Currently only 33 Berneslai Homes’ tenants are in receipt of Universal Credit, however of these, 54% have arrears exceeding £300 and in total £17,563 is owed by them. The full roll out of Universal Credit will mean approximately 65% of Berneslai Homes’ tenants will receive direct payments, therefore they will have to collect £30m of rent which was previously paid directly.
- **Rent reduction** – due to changes in the government’s rent setting formula and therefore reduction in rent income, over the next 5 years Berneslai Homes will be required to save £12m which will require them to remodel and in some cases, reduce services.
- **Market rents** – from April 2017 those households earning more than £30,000 will be charged market rents and the additional income will be returned to the government to fund Housing Association ‘Right to Buy’ schemes.
- **Sale of properties** – from 2016/17 local authorities will have to sell high value properties which become available (voids) and make a payment back to the government in order to fund Housing Association ‘Right to Buy’ schemes. This will reduce housing stock in Barnsley, in addition to tenants in Barnsley who purchase their Council properties.

3.0 Today’s Meeting

- 3.1 At today’s meeting, a number of representatives have been invited to the meeting to answer questions from the OSC regarding Berneslai Homes’ work, the challenges they are facing and plans they have in place.
- 3.2 As a result of a ‘Councillor Call for Action’ at the OSC in October 2015 regarding queries with District Heating in properties managed by Berneslai Homes, a verbal update will be provided on the work that has taken place since.

4.0 Invited Experts

- 4.1 The following experts have been invited to today’s meeting:
- Helen Jaggard, Chief Executive, BH
 - Alison Rusdale, Director of Corporate Services, BH
 - Steve Davies, Director of Assets, Regeneration and Construction, BH
 - John Townend, Chair of Barnsley Federation of TARAs
 - Joan Whittaker, Secretary of the Barnsley Federation of TARAs
 - Richard Burnham, Head of Housing and Energy, BMBC
 - Councillor Roy Miller, Cabinet Spokesperson for Place, BMBC

5.0 Possible Areas for Investigation

- 5.1 Members may wish to ask questions around the following areas:

- How effective and efficient is the integrated working between the Council and Berneslai Homes at both a strategic and operational level?
- How effective are performance management arrangements to ensure high quality service delivery and tenant satisfaction?
- How effective are arrangements to ensure tenant and resident involvement in the design, monitoring and improvement of Berneslai Homes' services?
- What plans are in place to replenish housing stock including properties suitable for older and vulnerable tenants?
- What is in place to ensure effective management of estates, including dealing with incidents of anti-social behaviour?
- How effective are Berneslai Homes' relationships with other key stakeholders in the Borough such as South Yorkshire Police, NHS bodies and voluntary sector organisations in order to assist the Council in achieving its priorities?
- What are the key priorities and plans for Berneslai Homes over the next 5 years?
- What actions could be taken by Members to assist in the work of Berneslai Homes?

6.0 Background Papers and Useful Links

- Berneslai Homes 2014/15 Annual Report:
<http://www.berneslaihomes.co.uk/media/Publication/Annual%20Report/Annual%20Report%20201415.pdf>
- Berneslai Homes 2014/15 Annual Report Film:
<https://www.youtube.com/watch?v=xVVcSAbfTUo>
- Berneslai Homes Quarterly Performance Report: 2014/15 Year End:
<http://www.berneslaihomes.co.uk/media/Our%20performance/Quarterly%20performance%20reports/Quarter%204%202014-15.pdf>
- Berneslai Homes Services Agreement: Automatic Contract Renewal 2016 (Cab.4.11.2015/8):
<http://barnsleymbc.moderngov.co.uk/documents/s5113/Berneslai%20Homes%20Automatic%20Contract%20Renewal.pdf>

7.0 Glossary

ALMO – Arms Length Management Organisation
 BMBC – Barnsley Metropolitan Borough Council
 BH – Berneslai Homes
 TARA – Tenants and Residents Association

8.0 Report Author and Officer Contact

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1st February 2016