

BARNESLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR, PLACE TO CABINET, 12 JANUARY 2022

Public or private: Public

Berneslai Homes Strategic Plan 2021-2031 and Annual Business Plan 2022/23

1. Purpose of Report

- 1.1 Seeks approval of the refresh of the Berneslai Homes Strategic Plan 2021-2031 (Appendix A) and the Annual Business Plan 2022/23 (Appendix B).

2. Recommendations

It is recommended that:

- 2.1 Cabinet approve the revised Berneslai Homes 2021-31 Strategic Plan and Annual Business Plan for 2022/23.
- 2.2 The Head of Housing, Sustainability and Climate Change, in consultation with the Cabinet Spokesperson for PLACE, be authorised to approve any minor final amendments or additions to the Strategic Plan/Annual Business Plan and associated appendices as may be identified.
- 2.4 The Service Director Regeneration and Culture to sign off the final version of the refreshed Berneslai Homes 2021-31 Strategic Plan and the Annual Business plan as per the Services Agreement with Berneslai Homes.
- 2.3 Once the Strategic Plan and Annual Business plan has received final approval and sign-off, the Strategic Plan Refresh should be published on the Berneslai Homes Website.

3. Background

- 3.1 In October 2020, Cabinet approved the renewal of the Services Agreement with Berneslai Homes for a period of 10 years (5+5 years). A variation to the original services agreement was signed in March 2021, and a DRAFT Strategic Plan was approved pending the completion of a new 10-year strategic document (to be produced during 2021); aligned to Barnsley 2030 and the Council's new Corporate Plan. 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.
- 3.2 Alongside the development of the Strategic Plan, officers from the Council and Berneslai Homes had commenced working on the development of an Assurance Framework to ensure that the Council can meet its requirements under the regulatory changes being implemented by the Regulator of Social

Housing (RSH) as part of 'The Charter for Social Housing' (published November 2020).

- 3.3 In May 2021, the Council commissioned ARUM to undertake a review of the Council's client and contract management arrangements in relation to the Services Agreement with Berneslai Homes. This was prompted by implementation of the Council's new Commercial Strategy, the Council's wider Value for Money Review, its Partnership, Governance and Contract Management Review and to assist preparation for changes in the regulation of social housing (as referenced above). The review was to advise on any areas for improvement in relation to client governance, identify areas where strategic intent/alignment with the Council's priorities can be strengthened and ensure that the Council can gain assurance around the delivery of the outcomes set out in the 'services agreement' and the PRIP contract. The review was also to provide advice/guidance/best practice relating to how the Council can ensure that we are adequately prepared for new requirements/responsibilities under the Regulator of Social Housing.
- 3.4 The review concluded in summer 2021 and the recommendations from ARUM were shared with the Council's Senior Management Team, the Portfolio Holder for PLACE, BMBC Overview and Scrutiny and Berneslai Homes' Chief Executive, Chair of the Board and Executive Management Team. Officers from the Council and Berneslai Homes have co-produced an implementation plan to address the recommendations from the review and are working through minor changes to the clienting governance arrangements, a new meeting structure and the Assurance Framework.
- 3.5 Two other recommendations from the review were that:
- 1) Whilst the Strategic Plan is a 'strategic' document which is refreshed on an annual basis, the Council should also require Berneslai Homes to produce an annual Business Plan which details the key actions and areas of focus for that year and associated budgets/costs, stretching KPI's, a breakdown of what the management fee will be spent on and updated staffing/governance arrangements.
 - 2) The Strategic Plan and Business Plan should be formally 'signed off' by the Council alongside the budget reports for the coming year; ensuring that the strategic planning process has a greater focus on delivering continuous improvement and greater value for money for the Council.
- 3.6 This Cabinet report presents the Berneslai Homes Strategic Plan 2021-2031 alongside the DRAFT Berneslai Homes Business Plan for 2022/23. The report is presented alongside the HRA Capital and Revenue Report 2022/23.
- 4. Strategic Plan 2021-2031**
- 4.1 The Draft Strategic Plan submitted to Cabinet in October 2020 was focussed on the initial period up to 2022, with the intention that a new plan would be produced to better align with the Council's vision for Barnsley 2030.

4.2 Berneslai Homes has produced a new Strategic Plan which has been developed following extensive consultation with key stakeholders. A copy of the Plan can be found at Appendix A. The plan has been refreshed to be clear, concise and in a simple format. A plan on a page has also been developed, which can be read in a few minutes and gives the main detail of the plan. In refreshing the Strategic Plan, Berneslai Homes has also reviewed their mission and values to ensure that they remain current and reflect the culture of the organisation. The Berneslai Homes Board agreed the organisation's new values in July 2021 and the final version of the Strategic Plan and Business Plan will be presented to the Board on 9th December 2021. The new values are:

- o Customer First
- o Can do
- o Curious

4.3 The new Strategic Plan covers the objectives agreed by Board and supported by Berneslai Homes staff, customers, and partners: -

- o Hearing customers
- o Keeping customers safe
- o Employment and Training
- o Zero carbon (Sustainability)
- o Technology and Innovation
- o Growth

4.4 Appendices 1 and 2 of the Strategic Plan highlight how the actions within the 6 key objectives directly align and contribute to the Council's 4 key themes of Barnsley 2030 – healthy, learning, growing and sustainable. Key objectives within the Strategic Plan include:

- **Creating employment and training opportunities for tenants and their families (Learning Barnsley).**
- **Developing and implementing the approach to the zero carbon (Zero40/45) agenda, retrofitting homes, developing employment opportunities, and reducing fuel poverty (Sustainable Barnsley).**
- **Seizing opportunities to grow as an organisation and sustain levels of social housing in Barnsley (Growing Barnsley).**
- **Working with tenants to make sure that they feel confident with the security and safety of their home (Healthy Barnsley).**

4.5 The appendices of the Strategic Plan will be refreshed annually. Appendix 3 of the Strategic Plan contains the suite of KPI's. The KPI's for 2022/23 are being refreshed as part of the Clienting Review and include a new and stretching suite of targets. It is envisaged that these indicators will require refresh during the next financial year to ensure that they will include the performance

framework indicators as required by the Regulator of Social Housing as these are finalised.

5. Business Plan 2022/23

- 5.1 The DRAFT Business Plan 2022/23 can be found at appendix B. As referenced, Berneslai Homes will be asked to produce an annual business plan which provides updates on the organisation, its structure, and key focus/actions for the coming year; alongside a breakdown of the management fee and associated budget/spend priorities. The Business Plan will be a key document in the development of the Assurance Framework within which the Council will manage the performance of the ALMO, going forward, and the Council's compliance in meeting our legislative duties with the Regulator of Social Housing.

6. Proposal and Justification

- 6.1 It is proposed that Cabinet approves the Berneslai Homes Strategic Plan and Annual Business Plan 2022/23; noting the plan's alignment to Barnsley 2030 and the commitment from Berneslai Homes to work alongside colleagues in the Council to strengthen clienting arrangements and to develop a robust assurance framework to meet our legislative requirements under the Regulator of Social Housing.

7. Implications for local people / service users

- 7.1 The renewal of the Services Agreement with Berneslai Homes from April 2021 has delivered continuity for tenants and residents of the borough in the performance of the housing management and maintenance function and wider community services. The Strategic Plan strongly aligns to the Council's key vision to create a 'place of possibilities' for all residents of this borough and the development of an annual Business Plan will ensure that that the strategic planning process has a greater focus on delivering continuous improvement and greater value for money for the Council and, in turn, the services that it provides to all residents.

8. Financial Implications

- 8.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 8.2 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.
- 8.3 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 2022.

9. Employee implications

9.1 There are no direct employee implications, at this time.

10. Communications implications

10.1 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.

11. Consultations

11.1 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.

12. The Corporate Plan and the Council's Performance Management Framework

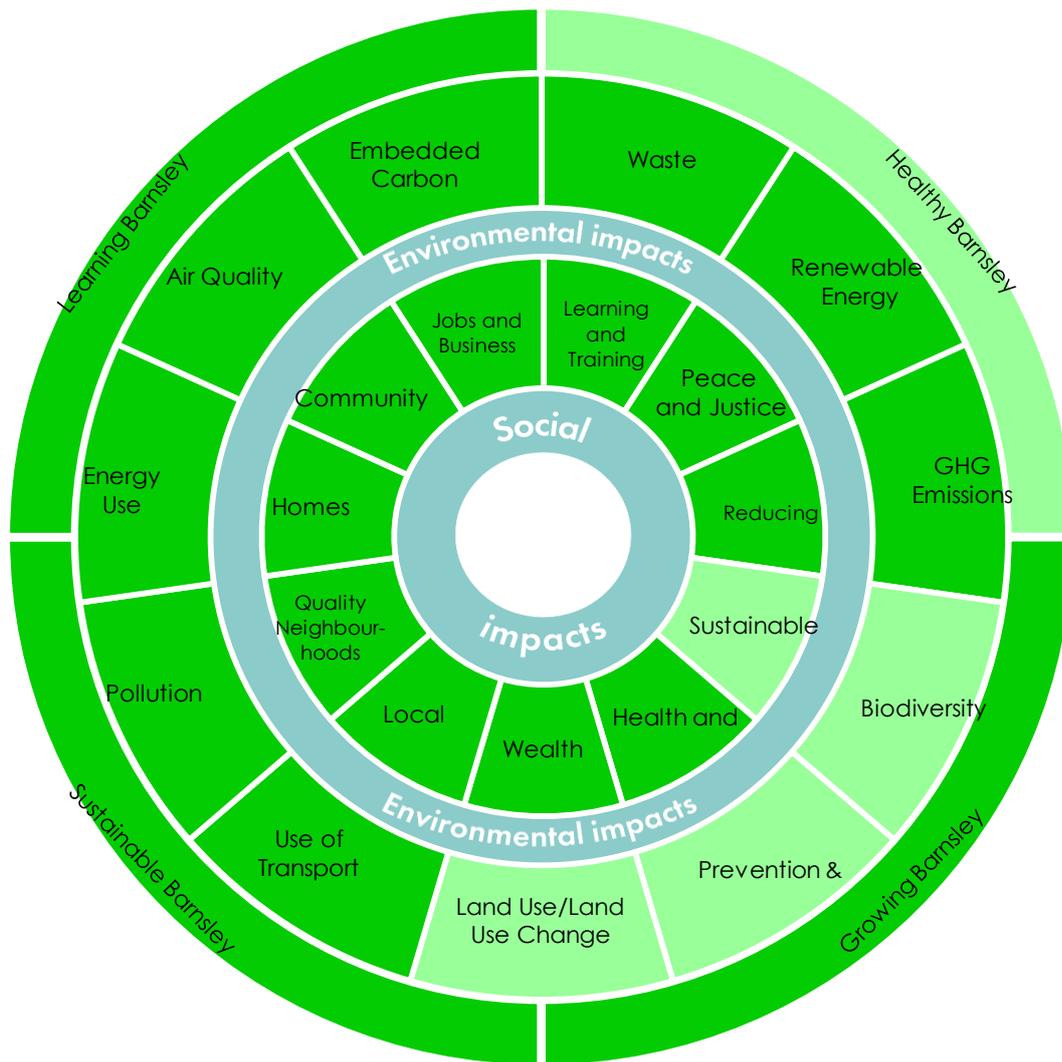
12.1 The Berneslai Homes Strategic Plan 2021-31 strategically aligns with the Council's Corporate Plan for Barnsley 2030 and Housing Strategy (2014-33) contributing to the provision of high-quality homes for social rent; investment in the borough and council assets; supporting people to manage tenancies, live independently and 'achieve'; and assist in the delivery of housing growth in promoting economic growth.

13. Promoting Equality & Diversity, Social Inclusion & Tackling Health Inequalities

13.1 The plan has a strong emphasis on equality, inclusion, and diversity. Underpinning the Strategic Plan will be the Equality, Diversity and Inclusion strategy that is currently being consulted on by the Berneslai Homes HR and OD team. The existing frameworks for involving and engaging with a wide range of customers to support social inclusion and tackle health inequalities is underpinned within the Customer Involvement Agreement within the Strategic Plan. Berneslai Homes assists the authority in providing quality housing provision for those households on low incomes and vulnerable service users who cannot secure suitable housing privately.

14. Climate Change & Sustainability – Zero Carbon

14.1 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. 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 2040. A key focus for the Business Plan for 2022/23 is to ensure that there is robust data to inform retrofit plans and to ensure that the Council and Berneslai Homes are best placed to access funding opportunities for insulation and renewable technologies, as they arise.



14.2 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.

14.3 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.

- 14.4 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.
- 14.5 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.

15. **Risk Management Issues**

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

- **Financial** 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. To ensure we comply, it is essential that the actions of the clienting review are implemented alongside the development of the Assurance Framework.
- **Operations** the operational focus and resources have been increased to assist in the delivery of the priorities in the plan; however, there are still some unknowns re: The Tenants Charter in terms of the performance framework and 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.

16. **Tackling Health Inequalities**

- 16.1 It is widely recognised that the quality of housing and the surrounding neighbourhood are influential in shaping health and wellbeing.
- 16.2 Building/acquiring more and better homes helps to tackle some of the income and health inequalities that exist in the housing market. All new homes directly delivered by the Council are built to a high standard including advanced energy efficiency measures to help residents manage running costs and reduce instances of fuel poverty. Social rents are priced to be affordable for

residents. Retrofitting homes to make them more energy efficient, alongside developing training programmes to advise tenants how to use new heating systems, should reduce fuel bills and instances of fuel poverty.

17. **List of Appendices**

- Appendix A: BH Strategic Plan 2021-31
- Appendix B: BH Annual Business Plan 2022/23

Financial Implications/Consultation



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*(To be signed by senior Financial Services officer
where no financial implications)*

Officer Contact: Sarah Cartwright Date: 07/11/2021