



**Berneslai Homes Board - 23<sup>RD</sup> February 2023**

**Virtual Meeting**

<b>PUBLIC AGENDA</b>		
		<b>Decision/Approval / Information</b>
1	Apologies	
2	Declarations of Interest	
3	CEO Presentation	Information
4	Governance Update	Decision
5	Board Self Evaluation	Approval
6	BH Annual Investment Strategy	Approval
7	Audit Committee Annual Report	Approval
8	Repairs First Update (verbal)	Information
9	Resource Information Papers:-	Information
9.1	Q3 Performance Report	
9.2	Quarterly Risk Update	
9.3	VFM Annual Report	
9.4	Gender Pay Gap	
10	Minutes of previous Board held 8/12/2022	Approval

# NATIONAL HEADLINES

FEBRUARY 2023

## The Better Social Housing Review

HA staff face new competency standards under post-Grenfell changes


**Housing**  
Ombudsman Service



CORONAVIRUS  
FINANCE  
DEVELOPMENT  
REGULATION  
MORE TOPICS

NEWS  
IH LIVE  
COMMENT  
INSIGHT

Government announces review of damp and mould guidance following Awaab Ishak's death



Home Office

The Fire Safety Act and Fire Safety Reforms



CORONAVIRUS  
FINANCE  
DEVELOPMENT  
REGULATION  
MORE TOPICS

NEWS  
IH LIVE  
COMMENT  
INSIGHT

Giant council landlord left legally required gas checks incomplete 'for several years', regulator says



# LOCAL PERSPECTIVE



LEVELLING UP FUNDING £10 MILL

HRA BUDGET DISCUSSION

PROPOSED RENT INCREASE

EPC C FUNDING CAPACITY BMBC

COST OF LIVING & HARDSHIP FUND

STOCK CONDITION DATA

KPIs 2023/24 & ANNUAL PLAN

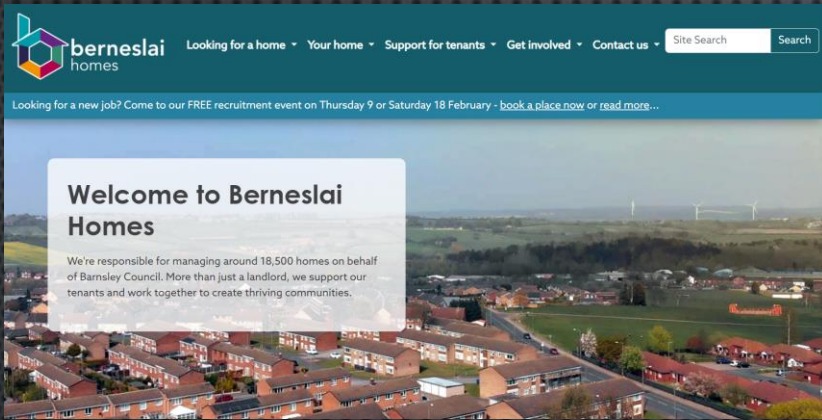


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# BERNESLAI HOMES PERSPECTIVE

COMMUNICATION – NEW WEBSITE LAUNCHED

SAFETY – SMOKE & CO UPDATE

DAMP & MOULD LATEST POSITION – NEED TO TRIAGE BETTER & RISK ASSESS

ORGANISATIONAL RESTRUCTURE

BUDGETS 2023/24

REPAIRS FIRST – LAUNCH APRIL 2023

COMPLAINTS FOCUS – SPEED OF RESPONSE

RECRUITMENT FAIR

Spot the signs  
Try our tips  
Act fast  
Report it





# PRIORITIES FEB – JUNE 2023



- PROGRAMME FOR EPC C WORKS DEVELOPED
- LAUNCH REPAIRS FIRST APRIL 2023
- STOCK CONDITION ASSESSMENTS ACCELERATED – REVIEW DATA
- COLLECT NEW TENANT SATISFACTION STANDARDS MEASURES - FROM APRIL 2023
- PREPARE APPROACH TO COMPETENCY & CONDUCT STANDARD
- COMPLETE ORGANISATION RESTRUCTURE
- LAUNCH ENHANCED HARDSHIP FUND
- STAFF CONFERENCE & IIP ASSESSMENT



<b>Report Title</b>	<b>Governance Update</b>	<b>Confidential</b>	No
<b>Report Author</b>	<b>Head of Governance and Strategy</b>	<b>Report Status</b>	For Approval
<b>Report To</b>	<b>Board 23/2/2023</b>	<b>Officer Contact Details</b>	samantharoebuck@berneslaihomes.co.uk

<p><b>1. Executive Summary</b></p>	<p><u>1.1 Succession Planning</u></p> <p>a) Having the right skills on our Board and an effective succession plan in place is critical to ensuring our strategic objectives are achieved.</p> <p>b) The next term of office due to conclude, in September 2023, is our tenant board member, Adriana Rustemi. Due to the one other tenant board member's recent recruitment in 2022, we would like to ensure we retain significant experience in this role on the board, by giving the new tenant board member time to grow in the role. It is therefore recommended that Adriana's term is extended for a further 12 months to September 2024.</p> <p>c) To ensure we have an effective succession plan in place for Adriana, it is proposed that we recruit a trainee tenant Board Member to commence in March 2024. This will open up the opportunity to those tenants that don't feel ready to jump straight into the role, enabling them time to develop and grow in confidence before becoming a full tenant Board member in September 2024. This was trialed in 2022 and proved successful for two of our new Board members.</p> <p><u>1.2 Skills Matrix</u></p> <p>a) During 2022 the skills matrix was reviewed and refreshed and piloted by Board members. The results of this are outlined within this report and in <b>Appendix A</b>.</p> <p>b) The refreshed skills matrix overall received positive comments. It shows that we have a balance of skills across the required areas. It is not expected that all Board members will be experts in all areas. The skills matrix has also been used to develop the proposed training and development plan for Board members.</p>
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	<p><u>1.3 Council Representative at Board</u></p> <p>a) Recommended as part of the Governance review in 2022, BMBC reviewed their Role Profile for the Board and confirmed through their governance arrangements that this meets the requirements set out in the Services Agreement. The new role profile is attached at <b>Appendix B</b> for Board approval.</p> <p><u>1.4 Board Training and Development Plan</u></p> <p>a) The Board Training and Development Plan has been reviewed for 2023, in conjunction with the skills matrix and Board self-evaluations. The new development plan (<b>Appendix C</b>) covers required attendance by members (sessions aimed at developing Board essential skills and knowledge) and optional sessions that Board members may find useful. We will also deliver smaller sessions for members on areas where they may wish to receive more targeted information.</p>
<p><b>2. Recommendation/s</b></p>	<p>Board are requested to:</p> <ol style="list-style-type: none"> <li>I. Approve the 12-month term of office extension for Adriana Rrustemi.</li> <li>II. Approve the recruitment of a trainee tenant board member to succeed Adriana in September 2024.</li> <li>III. Approve the refreshed skills matrix following the recent pilot in 2022 and note the resulting balance of skills across the board.</li> <li>IV. Approve the refreshed BMBC Role Profile.</li> <li>V. Approve the 2023 Board Development plan.</li> </ol>

3. Background

- 3.1 The purpose of this report is to provide an update to Board on a range of governance issues. This report builds on the previous reports and changes made in governance and provides an update on current Board membership.
- 3.2 To be a successful well-managed company, Berneslai Homes must uphold Governance as a priority. By ensuring that board members are fully informed and curious, we are supporting the role of good governance and the delivery of the Strategic Plan.
- 3.3 It is a requirement of the NHF Code of Governance that we have a skills-based approach to recruitment and that succession planning is actively undertaken.

#### 4. Current Position /Issues for Consideration

##### **Succession Planning**

- 4.1 In order to have strong and highly effective governance in place and to be in the best possible position to deliver our Strategic Plan, we need to ensure that we engage a diverse range of Board and Committee members with the right skills, competencies and behaviours.
- 4.2 Succession planning is a way of ensuring that the Board and committees remain effective and able to achieve those high standards of governance. Planning ahead for succession is vital and it is essential to be proactive in relation to when terms of office are due to conclude.
- 4.3 Where there is a risk to effective succession, the Board Chair can recommend the annual extension of a member beyond the standard six years up to nine years.
- 4.4 The next term of office due to conclude, in September 2023, is our tenant board member, Adriana Rrustemi. Due to the one other tenant board member's recent recruitment in 2022, we would like to ensure we retain significant experience in this role on the board, by giving the new tenant board member time to grow in the role. It is therefore recommended that Adriana's term is extended for a further 12 months to September 2024.
- 4.5 To ensure we have an effective succession plan in place for Adriana, it is proposed that we recruit a trainee tenant Board Member to commence in March 2024. This will open up the opportunity to those tenants that don't feel ready to jump straight into the role, enabling them time to develop and grow in confidence before becoming a full tenant Board member in September 2024. This was trialled in 2022 and proved successful for two of our new Board members.

##### **Skills Matrix**

- 4.6 The skills matrix is used for the recruitment of Board members. Going forward the matrix will be reviewed by the Remuneration Committee to aid them in ensuring we have effective recruitment and succession plans in place for Board.
- 4.7 During 2022 the skills matrix was reviewed and refreshed and piloted by Board members. The results of this are outlined within this report and in **Appendix A**.
- 4.8 The skills matrix shows that we have a balance of skills across the required areas. It is not expected that all Board members will be experts in all areas. The skills matrix has also been used to develop the proposed training and development plan for Board members.



4.9 The skills matrix overall received positive comments; however, this will be issued in a different format this year to assist in easier completion. The skills matrix will continue to be issued to Board members as part of the appraisal process and scores will be agreed with the Chair as part of that process.

#### 4.10 Council Representative at Board

The Governance review in 2022 recommended that the BMBC role profile be reviewed to provide clarity to all parties. It was subsequently reviewed and BMBC have confirmed through their governance arrangements that this meets the requirements set out in the Services Agreement. The new role profile is attached at **Appendix B** for Board approval.

#### 4.11 Board Training and Development Plan

The Board Training and Development Plan has been reviewed for 2023, in conjunction with the skills matrix and Board self-evaluations. The new development plan (**Appendix C**) covers required attendance by members (sessions aimed at developing Board essential skills and knowledge) and optional sessions that Board members may find useful. We will also deliver smaller sessions for members on areas where they may wish to receive more targeted information.

### 5. Customer Voice/Impact

5.1 This report is an update around the governance of the Board and therefore customer views have not been sought specifically for this report.

### 6. Risk and Risk Appetite

6.1 Strategic Risk Appetite – Risk Adverse: We aim to comply with all relevant legislation and have zero tolerance for regulatory compliance issues. We give high priority to internal audit recommendations and take immediate action to resolve concerns. We have zero tolerance for failure to meet deadlines from regulators.

6.2 There is a risk that the Board do not appreciate Berneslai Homes' key vulnerabilities and take appropriate action to manage them. The assurances provided within this this report ensures that effective mechanisms are in place for the management of associated risks.

### 7. Strategic Alignment

7.1 The report aligns to the requirements from BMBC (Barnsley Metropolitan Borough Council) for the effective governance of Berneslai Homes. Good governance links to the successful achievement of all our ambitions:

- Hearing Customers
- Keeping tenants Safe
- Growth of Homes and Services
- Technology and Innovation
- Employment and Training
- Zero Carbon

8. Data Privacy

There are no data privacy implications arising from this report. No personal data has been processed and no DPIA (Data Protection Impact Assessments) is required.

9. Consumer Regulatory Standards

This report relates to the following elements of the Regulatory Standard:

- Governance and Financial Viability Standard - Good Governance ensures the organisation always act in the best interests of the business. This ensures improvement of performance, unlocks new opportunities, and reduces risk.

10. Other Statutory/Regulatory Compliance

To provide Board with assurance around our governance arrangements.

11. Financial

11.1 There are no financial implications arising directly from this report.

12. Human Resources and Equality, Diversity and Inclusion

12.1 The recruitment of new Board members provided an opportunity to further diversify the Board. A priority within the Code is Equality, Diversity, and Inclusion performance. The actions within the self-assessment seek to develop ED&I policies and procedures further.

13. Sustainability Implications

13.1 No specific zero carbon implications from this report

14. Associated Background Papers

14.1 N/A

15. Appendices

15.1 Appendix A – Skills Matrix combined responses

15.2 Appendix B – BMBC Role Profile

15.3 Appendix C – Board Development Plan 2023

**Appendix A - Combined Skills Matrix**

	Strong/adequate up to date knowledge and skills	Knowledge/skills means understands details of Board papers and can contribute to Board discussion but requires further development	Skills gap	No knowledge or skills
<b>Core skills and Experience</b>				
Direct knowledge of the tenant experience and residents needs and concerns	2	5	3	0
Knowledge of (and links within) Barnsley and the communities served by Berneslai Homes	5	2	3	0
Governance and Leadership	6	4	0	0
Strategic Management, including Quality Assurance, Performance and Change Management	6	1	3	0
Technology and Innovation, IT and cyber security, Information Governance incl. data protection	4	5	1	0
Compliance with ED and I	5	3	2	0
Health and safety	7	3	0	0
Accounting	3	3	4	0
Business management skills, including risk management, internal control assurance, and business continuity	6	4	0	0
Experience of financial management, financial reporting, and control systems	5	2	3	0
DLO Services (repairs and maintenance)	2	5	3	0
Zero carbon and sustainability	3	6	1	0
Building Safety and Compliance (keeping customers safe)	5	3	2	0
Growth of homes and services within the social housing sector	4	1	5	0
Knowledge of the operating environment of the social housing sector and its regulation	5	4	1	0
Housing management, including lettings, Income, ASB	2	5	3	0
Improving opportunities for employment and training	4	5	1	0
<b>Desirable skills and experience</b>				
Strategic human resources and organisational development	4	4	2	0
Community development and capacity building	4	4	1	1
Procurement	4	1	4	0
PR, marketing, media, and communications	5	3	0	1
Supported housing, and links with health services	4	4	2	0
Property development	4	2	3	1



## BMBC Role Profile

Creating great homes and communities with the people of Barnsley



## Barnsley MBC (BMBC) Representative Board Observer Profile

<b>1. Purpose</b>	<p>1.1 The BMBC nominated observer is not a formal member of the Berneslai Homes Board and is present at Board meetings to act as a strategic link between BMBC and the Berneslai Homes board.</p> <p>1.2 When attending the Berneslai Homes Board, the observer's role is not to formally monitor the performance of Berneslai Homes on behalf of BMBC, (there are agreed processes for this outside of the Board meeting). The attendee role is to provide challenge to the Board where appropriate and ensure that the constructive and effective working relationship between BMBC and Berneslai Homes is maintained and developed.</p>
<b>2. Key Responsibilities</b>	<p>2.1 Working with the officers and Board members the observer should ensure that they:</p> <ol style="list-style-type: none"> <li>a) Abide by the Board behaviour principles and the Board code of conduct</li> <li>b) Prepare for meetings to enable them to participate in debates, where contribution from the perspective of the strategic link with BMBC is appropriate.</li> <li>c) When contributing to the Board meeting to do so positively, communicating the perspective of BMBC and help to ensure constructive debate and robust strategic decision making by the Board</li> <li>d) Avoid conflicts of interest, and should they occur, declare any relevant matters and seek confirmation from the Chair about how these are addressed</li> <li>e) Send apologies if they are unable to attend the meeting, and send an appropriate deputy where possible.</li> <li>f) Take part in consultation exercises or other activity if required by the board, meeting deadlines for comments</li> </ol>
<b>3 Key Duties</b>	<p>3.1 To support the respective remit of Berneslai Homes and BMBC in relation to delivery of strategic objectives.</p> <p>3.2 To provide background information and context to the Board when appropriate on related activity in BMBC that will help assist in their decision making.</p> <p>3.3 To ensure any issues considered and or decisions made by the Board are communicated to BMBC as is appropriate</p>

<b>4. Competency</b>	Competencies can be defined as the personal attributes or underlying characteristics	
	Competency	Characteristics
	<i>Personal skills</i>	<ul style="list-style-type: none"> <li>• Communicates effectively, changing style and tone as required</li> <li>• Prepares for each meeting</li> <li>• Displays effective time management</li> <li>• Leads by example</li> </ul>
	<i>Teamwork</i>	<ul style="list-style-type: none"> <li>• Has good interpersonal and listening skills</li> <li>• Able to contribute to debates, with courtesy and respect for others</li> <li>• Demonstrates clear understanding and support of the relationship between Berneslai Homes and BMBC</li> </ul>
	<i>Data analysis and decision making</i>	<ul style="list-style-type: none"> <li>• Understands the performance management framework</li> <li>• Has the ability to weigh up the issues</li> <li>• Has an awareness of value for money</li> </ul>
	<i>Setting strategic direction</i>	<ul style="list-style-type: none"> <li>• Demonstrates vision</li> <li>• Sees the longer term implications</li> <li>• Maintains awareness of potential new strategic direction</li> </ul>
	<i>Strategic thinking</i>	<ul style="list-style-type: none"> <li>• Is aware of the external environment and drivers for change</li> <li>• Understands how Berneslai Homes goes about planning for the future</li> <li>• Understands the Social Housing Consumer Regulation</li> </ul>
	<i>Service quality and customer focus</i>	<ul style="list-style-type: none"> <li>• Values customer views</li> <li>• Understands affordability issues</li> </ul>

## Appendix C - Board and Committee Member Development Plan 2023

Development	Detail / Scope	Who to Attend	Mandatory Y/N	Lead	Timeframe
Risk Appetite	Refresh in line with Strategic Plan	Board Members and EMT	Y	Head of Gov & Strat	23 February (tagged onto Board)
Finance	Budget responsibility/relationship in relation to the HRA, Capital Programme, Management Fee etc. How PRIP contract works, roles of BH/BMBC and how budgets and future investment need are agreed.	Board Members and EMT	Y	Exec Dir of Corporate Services/BMBC	8 March
Governance	Roles and Responsibilities of Board members	Board members and EMT	Y	Head of Governance and Strategy (external consultant)	23 May (tagged onto Board)
TBC	Board Away Day	Board members and EMT	Y	Chief Executive	13 July
TBC	Emerging topic	Board members and EMT	TBC	TBC	20 July
The Social Housing (Regulation) Act and Regulatory Reform	Potentially this may be brought forward if the Bill goes through Parliament earlier.	Board Members and EMT	Y	Exec Dir of Customer & Estate Services	5 October
3-yearly external review of board	Board/Committees to review their performance – 3 yearly facilitated session with external consultant. (NHF Code of Governance)	Board Members and EMT	Y	Head of Gov & Strat	7 December (tagged onto board)
<b>Smaller Groups and optional development</b>					
BH Investments	Delivered by BMBC - annual	Audit Committee		BMBC	26 Jan (tagged onto Audit Committee)
Voids Tour	HM Group manager to drive attendees 3 or 4 void properties at different stages of the process	CS Ctte Members		Head of Estate Services	24 May 2023
Annual Budget session	Annual Budget session	Audit Committee / Board invited		Exec Dir of Corporate Services	19 Oct (tagged onto Audit Committee)



Development	Detail / Scope	Who to Attend	Mandatory Y/N	Lead	Timeframe
Estate Walkabouts	Ongoing attendance throughout the year (new format commences in April – details to follow)	Board Members		Head of Gov & Strat	Ongoing
Customer Panels	*One panel will be dedicated to board members and tenants - Presentation to Board from involved customers, incl TVP, on the areas they have looked at findings etc. Q and A with Board?	Board Members and EMT		Head of Customer Services	TBC
Stock Tour	TBC	Board Members		TBC	2023
Zero Carbon and Sustainability	Personal development session to be offered to board	Invite Board members		Head of Asset management	TBC
Building Safety and compliance including C365	Personal development session to be offered to board	Invite Board members		Head of RMBS	TBC
Carbon Literacy E-Learning	Recommended for Staff and Board Members	Board Members		Head of Asset management	2023

<b>Report Title</b>	<b>Board Self-Evaluation</b>	<b>Confidential</b>	No
<b>Report Author</b>	<b>Head of Governance and Strategy</b>	<b>Report Status</b>	For Approval
<b>Report To</b>	<b>Board – 23/2/2023</b>	<b>Officer Contact Details</b>	<a href="mailto:samantharoebuck@berneslaihomes.co.uk">samantharoebuck@berneslaihomes.co.uk</a> <a href="mailto:clairedenson@berneslaihomes.co.uk">clairedenson@berneslaihomes.co.uk</a>

<b>1. Executive Summary</b>	<p>1.1 To discuss the outcome from the Board self-evaluation and approve the proposed actions contained in the report.</p> <p>1.2 The outcome of the evaluation is positive, with responses reflecting the consensus that Board members recognise the improvements that have been made, are ongoing and the improved quality of the governance arrangements. It is also positive that the assessments have identified further areas for development, which have been listed in the <b>Action Plan at section 4.12</b>. Any outstanding actions from the 2021-2022 assessment have been carried over to the 2023 Action Plan.</p> <p>1.3 Several responses within the Board self-evaluations can be linked to the roles and responsibilities of Board members within Berneslai Homes and how those link with Barnsley Council. There are actions already identified to develop this area, including a focused session on BH/BMBC finance and the roles of BH/BMBC in March 2023, and a further session dedicated to Board member roles and responsibilities in May 2023.</p> <p>1.4 There were a number of comments related to strategic and operational focus during meetings. It is acknowledged that the ALMO model does require some operational discussion at Board. Board members are also reminded that they can ask operational questions via Decision Time prior to a Board or Committee meeting, which can be private or shared. Board members are also encouraged to contact EMT members directly if they have more in-depth queries regarding Board and Committee reports.</p> <p>1.5 Interaction with staff and tenants was challenging during the pandemic, but this is now gradually improving and there will be more opportunities for Board to engage, including a dedicated Customer Panel for Board and EMT to network with tenants, and a voids tour for the Customer Services Committee in May 2023.</p>
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	1.6 The next Board review of performance will be the agreed 3-yearly facilitated session with an external consultant provided in December 2023.
2. Recommendation/s	<p>Board are requested to:</p> <ol style="list-style-type: none"> <li>I. Discuss and approve the combined evaluation of the Board self-assessment.</li> <li>II. Approve the action plan to strengthen the Board governance arrangements</li> <li>III. As part of this report to identify any further areas where the Governance team can support Board members to further develop and embed our governance arrangements.</li> </ol>

### 3. Background

- 3.1 This annual formal Board appraisal process is considered best practice and is also a requirement of the NHF Code of Governance.
- 3.2 Board self-evaluations are a valuable tool to strengthen corporate governance, enabling Board to measure how they are performing against their own governance objectives.
- 3.3 In conjunction with individual Board member appraisals and ongoing feedback from Board members, the self-evaluations feed into the annual and ongoing Board Development Plan.
- 3.4 Board members were asked to individually complete the Board self-evaluation checklist and the results have been combined in **Appendix A**.

### 4. Current Position /Issues for Consideration

- 4.1 Any outstanding actions from the 2021-2022 assessment have been carried over to the 2023 **Action Plan at section 4.12**.
- 4.2 The outcome of the evaluation is positive, with responses reflecting the consensus that Board members recognise the improvements that have been made, are ongoing and the improved quality of the governance arrangements. It is also positive that the assessments have identified further areas for development, which have been listed in the Action Plan at section 4.12.
- 4.3 Resources to support Board members in their ongoing development include a thorough induction programme including the optional HDN Board Excellence Programme for new Board members, and ongoing policy briefings and training linked to areas such as the external environment, the strategic plan and feedback from appraisals. Individual learning is also identified from individual member skills self-evaluations as well as the group self-evaluation.
- 4.4 Several responses within the Board self-evaluations can be linked to the roles and responsibilities of Board members within Berneslai Homes and how those link with Barnsley Council. There are actions already identified to develop this area, including a focused session on BH/BMBC finance and the roles of BH/BMBC in March 2023, and a further session dedicated to Board member roles and responsibilities in May 2023.



- 4.5 There were a number of comments related to having a strategic focus during meetings rather than operational. Some comments related to operational knowledge helping to inform the strategic focus. Board members are reminded that they can ask operational questions via Decision Time prior to a Board or committee meeting. And by allowing all members to view the questions and answers it enables a group consensus of the operational issue. Board members are also encouraged to contact EMT members directly if they have more in-depth queries regarding Board and Committee reports.
- 4.6 The structure of Board and Committee reports was streamlined in 2022 with positive feedback on Board reports. Following further feedback within the self evaluation, there may be some more work required for Committee reports.
- 4.7 Interaction with staff and tenants was challenging during the pandemic, but this is now gradually improving and there will be more opportunities for Board to engage, including a dedicated Customer Panel for board and EMT to network with tenants, and a voids tour for the Customer Services Committee in May 2023.
- 4.8 Additional feedback from the Chief Executive regarding the board confirms the ongoing support and clear direction continues to be very positive. EMT feel well supported and appropriately challenged by the Board. The Chair's group has been a particularly successful addition to the structure to provide support to the Chief Executive, and other Board members have also provided support in their areas of expertise, such as links with BMBC.
- 4.9 Working in partnership with the Governance Team, Board is asked as part of this report what the Team can do to support Board members in the ongoing development of the governance arrangements.
- 4.10 The next board review of performance will be the agreed 3-yearly facilitated session with an external consultant provided in December 2023.

4.11 **Action plan 2023**

Action	Who	By When
Delegation framework to be reviewed – <b>carried over</b>	Head of Governance and Strategy	2023
Review tenant engagement with Board	Head of Customer Services & Head of Governance and Strategy	Throughout 2023
Budget responsibility/relationship in relation to the HRA, Capital Programme, Management Fee etc. How PRIP contract works, roles of BH/BMBC and how budgets and future investment need are agreed.	Executive Director of Corporate Services/BMBC	8 <sup>th</sup> March 2023
Roles and Responsibilities of Board members	Head of Governance and Strategy (external consultant to be appointed)	23 <sup>rd</sup> May 2023
Customer Services Committee to attend voids tour	Neighbourhood Services Manager	24 <sup>th</sup> May 2023
Board Away day	Chief Executive	13 <sup>th</sup> July 2023

Board to review performance as a Board and committees – 3 yearly facilitated session with external consultant.	Head of Governance and Strategy (external consultant to be appointed)	7 <sup>th</sup> December 2023
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5. Customer Voice/Impact

5.1 This report is an update around the governance of the Board and therefore customer views have not been sought specifically for this report. The action plan, however, does identify ways to enhance the customer voice at Board level.

6. Risk and Risk Appetite

6.1 There is a risk that the Board do not appreciate Berneslai Homes' key vulnerabilities and take appropriate action to manage them. The annual review of board performance, and the assurance provided within this this annual report, ensures that effective mechanisms are in place for the management of associated risks.

6.2 Therefore, where required these controls are monitored via such as:

- the Strategic risk register review
- as part of the Annual Governance Statement.
- Specific reporting to board, such as financial reports, compliance reports etc
- Performance monitoring

6.3 Strategic Risk Appetite – Risk Adverse: We aim to comply with all relevant legislation and have zero tolerance for regulatory compliance issues. We give high priority to internal audit recommendations and take immediate action to resolve concerns. We have zero tolerance for failure to meet deadlines from regulators.

7. Strategic Alignment

7.1 The report aligns to the requirements from BMBC (Barnsley Metropolitan Borough Council) for the effective governance of Berneslai Homes. Good governance links to the successful achievement of all our ambitions:

- Hearing Customers
- Keeping tenants Safe
- Growth of Homes and Services
- Technology and Innovation
- Employment and Training
- Zero Carbon

8. Data Privacy

There are no data privacy implications arising from this report. No personal data has been processed and no DPIA (Data Protection Impact Assessments) is required.

9. Consumer Regulatory Standards

This report relates to the following elements of the Regulatory Standard:

- Governance and Financial Viability Standard - Good Governance ensures the organisation always act in the best interests of the business. This ensures improvement of performance, unlocks new opportunities, and reduces risk.

10. Other Statutory/Regulatory Compliance

To provide Board with assurance around our governance arrangements.

11. Financial

11.1 There are no financial implications arising directly from this report.

12. Human Resources and Equality, Diversity and Inclusion

12.1 The continued embedding of governance arrangements will result in ongoing related communications and training for all staff.

12.2 A key priority for the company and for the Board is Equality, Diversity, and Inclusion performance. This is monitored as part of the self-evaluation.

13. Sustainability Implications

13.1 No specific zero carbon implications from this report.

14. Associated Background Papers

14.1 N/A

15. Appendices

15.1 Appendix A – Combined Self Assessment

**Appendix A - Combined Board Self-Evaluation.**

Q.	Question	Fully	Partially	Not at all	What could we do better?
1	The Board determines the strategic direction and culture of the organisation and ensures that it achieves its aims and objectives.	6	3	0	<ol style="list-style-type: none"> <li>1. Clarity of strategic responsibility with BMBC</li> <li>2. I've not had evidence of the board influencing strategy – that it probably just timing as it's not an annual exercise</li> <li>3. The Board also has to be mindful of the major shareholder, the Council's strategic approach and culture.</li> </ol>
2	The Board supports and provides clear direction to Berneslai Homes Chief Executive.	9	0	0	<ol style="list-style-type: none"> <li>1. I think so but can always do better!</li> </ol>
3	The Board works well with the Executive Team and effectively challenges the Executive.	8	1	0	<ol style="list-style-type: none"> <li>1. Some good practice – I feel I don't know the organisation well enough yet to always understand the context.</li> <li>2. Lots of instances of working with Directors and EMT to improve the service and respond to challenges</li> </ol>
4	The focus of Board decision making is strategic rather than operational	3	6	0	<ol style="list-style-type: none"> <li>1. Sometimes we need to look at the operational side as it impacts on the overall output of the company</li> <li>2. The nature of an ALMO makes it heavily operational</li> <li>3. To balance strategic vs operational challenge</li> <li>4. Sometimes the focus slips into operational but it is rare</li> <li>5. Some reports can be overly detailed, but this is improving. E.g., the format of the performance reports is now much better.</li> <li>6. This is always a difficult balance mostly we are strategic but sometimes fall into operational discussion, thought when this happens the chair/CEO are good are pulling it back or suggesting the board member takes the query offline with the relevant officer</li> <li>7. I think it is effective to make decisions strategic, however it is imperative to also consider operational side of things. I have observed this with BH, we intend make to strategic decisions while waying the operational value</li> <li>8. There are still occasions where the board is involved in operational matters</li> </ol>



Q.	Question	Fully	Partially	Not at all	What could we do better?
5	The Board has access and insight into the needs of Berneslai Homes residents, and this is used to inform decision making?	5	4	0	<ol style="list-style-type: none"> <li>1. Due board members attend ward walks or fully engage with tenants we only have the star surveys and the tenants voice panel information.</li> <li>2. Maybe an area to focus on for 2023?</li> <li>3. Good session on STAR to bring customer voice to the Board</li> <li>4. I think on the whole a number of board members are placed very well in order to fulfil this, however, speaking from my own perspective I feel I could do this better and get out a bit more to estate walkabouts etc. will aim to do this in the new year</li> <li>5. Members of the board need to bridge the gap between BH resident and themselves, by becoming more available to visit resident first hand – be in know of the situations and issues first hand</li> </ol>
6	The Board provides an appropriate degree of constructive challenge that enhances the decision-making process	9	0	0	<ol style="list-style-type: none"> <li>1. Think we are improving in this area</li> <li>2. The brings its own inside to tenants needs as well</li> </ol>
7	The Chair leads effectively on meeting management, inclusiveness, consensus seeking and dealing with conflicts	8	0	0	<ol style="list-style-type: none"> <li>1. Good, focussed chairing from what I have observed</li> <li>2. I feel the board collectively provides this</li> </ol>
8	The Board works effectively as a team and debates issues sufficiently	7	2	0	<ol style="list-style-type: none"> <li>1. I have seen this improve greatly</li> <li>2. Good mix of skills and experience</li> <li>3. I do feel we have better debates sat around the table in person than on teams but not to the detriment of the board's work</li> <li>4. This has improved over the last 12 months</li> </ol>
9	The Board makes effective decisions. The frequency, timing of meetings, and the quality of Board papers aid effective decision making.	8	1	0	<ol style="list-style-type: none"> <li>1. Pretty effective Board admin</li> <li>2. I feel the chair has made the board more harmonious</li> <li>3. Some reports can be overly detailed, but this is improving. E.g., the format of the performance reports is now much better.</li> </ol>
10	The Board manages risk, information governance & cyber security effectively with an appropriate level of delegation to the Audit & Risk Committee.	9	0	0	<ol style="list-style-type: none"> <li>1. Training indicates this as correct</li> <li>2. Audit Committee works well</li> <li>3. Good papers to ARC on these issues.</li> <li>4. This is always a balance as well, as though the board delegates to the A&amp;R committee it does not delegate its responsibilities</li> </ol>

Q.	Question	Fully	Partially	Not at all	What could we do better?
					5. The Audit & Risk Committee provides a good platform for managing risk
11	The Board demonstrates a clear and active commitment to achieve equality of opportunity, diversity and inclusion in all the organisation's activities and in our own composition.	9	0	0	<ol style="list-style-type: none"> <li>1. We are very committed to EDI</li> <li>2. Through actions of diverse board and EDI training</li> <li>3. Another area where this has improved over the last 12 months</li> </ol>
12	The Board receives the appropriate level of training to ensure they can operate effectively as a Berneslai Home Board member.	7	2	0	<ol style="list-style-type: none"> <li>1. Maybe need a clearer plan for 2023</li> <li>2. Opportunities to attend sessions that are useful</li> <li>3. I feel the training on offer to board members is very good</li> <li>4. More trainings could prove beneficial to all BH board members, giving the current state of most things. Current and new board members all bring valuable skills to the BH. Both groups have much to learn from each other. No matter how long someone has been serving, there are always new things to learn, new challenges to address, and new problems to solve.</li> </ol>
13.	The board understands the key risks that are on the horizon.	7	2	0	<ol style="list-style-type: none"> <li>1. They are thoroughly debated</li> <li>2. Difficult operating environment and improving relationship with the council.</li> <li>3. We should – and are I think – mindful that lots of risks are sometimes just over the horizon out of view – damp as a key example.</li> </ol>
14.	The board understands Berneslai Homes' key relationships/partners.	6	2	0	<ol style="list-style-type: none"> <li>1. Not sure on this – we haven't had any information as a board – a training session would be good</li> <li>2. Do we have the right NED engagement with BMBC?</li> <li>3. There is still work to do to work with The Council on understanding the dynamics of an ALMO partnership.</li> </ol>

## Agenda Item 6

<b>Report Title</b>	<b>Berneslai Homes Annual Investment Strategy 2023/2024</b>	<b>Confidential</b>	No
<b>Report Author</b>	<b>Executive Director Corporate Services</b>	<b>Report Status</b>	For Approval
<b>Report To</b>	<b>Board – 23/2/2023</b>	<b>Officer Contact Details</b>	Kulvinder Sihota kulvindersihota@berneslaihomes.co.uk

<b>1. Executive Summary</b>	<p>The attached report sets out the Annual Investment Strategy and Policy Statement prepared by the Council’s Treasury Management Team and is presented to the Board for their discussion, comment, and approval.</p> <p>The report sets out the organisation’s investment priorities for the forthcoming year and the parameters that officers will operate within.</p> <p>The attached report covers: -</p> <p><b>Section 2</b> Investment priorities  <b>Section 3</b> Strategy  <b>Appendix A</b> Scheme of delegation  <b>Appendix B</b> Policy Statement  <b>Appendix C</b> Creditworthiness Policy  <b>Appendix D</b> Summary of cash management qtr. 3 and an investment portfolio overview.</p> <p>Audit Committee considered the report on 24 January 2023, and BMBC Treasury Management were present. Audit Committee recommended that the Investment Strategy be approved by the Board.</p>
<b>2. Recommendation/s</b>	<p>Audit Committee recommend that Board approve the following: -</p> <ul style="list-style-type: none"> <li>• The Investment Strategy.</li> <li>• The investment limits set out in paragraph 3.4.</li> <li>• The instruments list set out a paragraphs 3.9</li> <li>• The scheme of delegation outlined in Appendix A and the policy statement outlined in Appendix B.</li> </ul>

Report to Berneslai Homes Board: 23rd February 2023

**ANNUAL INVESTMENT STRATEGY AND POLICY STATEMENT 2023/24**

1. **INTRODUCTION**

1.1 This document has been prepared with regard to the following statutory guidance which provides a best practice framework for the organisation to operate within:

- **Statutory Guidance on Local Government Investments (3<sup>rd</sup> Edition)** - the Department for Levelling Up, Housing and Communities (DLUHC), and
- **Treasury Management in the Public Services (2021 Edition)** - the Chartered Institute of Public Finance and Accountancy (CIPFA).

1.2 In broad terms it sets out the following:

- The organisation's investment priorities for the forthcoming year; and
- The parameters that officers will operate within.

**Recommendation**

1.3 The Board is asked to approve the following:

- the investment limits set out at paragraph 3.4;
- the instruments list set out at paragraph 3.9;
- the scheme of delegation outlined in Appendix A, and
- the policy statement outlined in Appendix B.

2. **INVESTMENT PRIORITIES**

2.1 The purpose of this investment strategy is to ensure that any surplus cash is invested prudently. As such the organisation has adopted the following investment priorities in line with best practice:

- **Security** - protecting the funds invested from loss;
- **Liquidity** - ensuring the funds invested are available when needed; and
- **Yield** - seeking optimum returns consistent with the above priorities.

2.2 The following section sets out the how the organisation will address each of these priorities.



### 3. STRATEGY

#### **Context**

- 3.1 This section covers the key risks to delivering the organisation's investment priorities and outlines the recommended approach to mitigating these risks.

#### **Credit and Counterparty Risk (Security)**

- 3.2 This is the risk of a third party being unable to meet its contractual obligations to the organisation, which put simply is the risk of default on any principal or interest payable. This would clearly have a detrimental impact on the organisation's resources.
- 3.3 In order to mitigate this risk, the organisation maintains a list of approved investment counterparties\* and limits based on the creditworthiness service provided by Link Asset Services (the Council's treasury management advisors). Further details on this creditworthiness service are provided in Appendix C.

*\*Whilst there is no definitive list of counterparty names within this strategy, those currently used by the organisation are set out in Appendix D.*

- 3.4 In addition, investment counterparties will be assessed against the minimum long-term credit ratings specified in the table below (a credit rating is essentially an assessment of an organisation's likelihood of default):

<b>Approved Counterparties</b>	<b>Minimum Long-Term Rating (Fitch or Equivalent)</b>	<b>Maximum Amount</b>	<b>Maximum Duration</b>
UK Government	AA-*	Unlimited	1 year
Barclays Bank PLC <i>(the organisation's own bank)</i>	A	£2.5M	Overnight
Banks	A+	£1.5M (per group)	1 year
	A		6 months
	A-		100 days
Building Societies	A	£1.5M	6 months
	A-		100 days
Local Authorities	AA-**	£1.5M	1 year
Money Market Funds	AAA	£2.5M (per fund)	Overnight***

*\* The UK Sovereign Debt Rating has been placed on Negative Outlook by the three major rating agencies. The outcome of these reviews is currently unknown; should the UK's rating be downgraded the minimum rating will be amended accordingly.*

*\*\* Not all Local Authorities are separately rated, but they are deemed to be in line with the UK Government reflecting the likelihood of intervention in the event of severe financial difficulty.*

*\*\*\*Money Market Funds may be invested for longer periods than overnight, however funds can be withdrawn daily if required.*

- 3.5 Where an entity no longer meets the above criteria it will be downgraded or withdrawn from the approved list immediately, and consideration will be given to recalling or selling any existing investments with the affected counterparty where there is no material cost to the organisation.

#### **Diversification (Security)**

- 3.6 The investment limits set out in paragraph 3.4 seek to diversify the organisation's investment portfolio to avoid too much concentration in one institution. Diversification of investments is of paramount importance in order to allow for the potential of a financial institution failing in future.
- 3.7 Investments are currently spread between the Barclays current account and several Money Market Funds (MMFs). Officers will continue to evaluate alternative investment options that meet the principles of security, liquidity and yield. Other institutions may be utilised if they are deemed appropriate and agreed with the Director of Corporate Services for Berneslai Homes.

#### **Price Risk (Security)**

- 3.8 This is the risk of a reduction in value of funds invested due to an adverse change in market conditions. In order to mitigate this risk, the organisation maintains a list of approved instruments which officers can invest in, based on existing knowledge or experience of the product and advice from Link Asset Services.
- 3.9 The Board is asked to approve the instruments list set out below, which include the LVNAV (Low Volatility Net Asset Value) Money Market Funds introduced in 2019 as part of the European MMF reforms. Based on their performance to date, it is recommended that the organisation continues to invest in these funds and monitor their performance closely over the duration of the year.

<b>Approved Instruments</b>
Interest-bearing bank accounts
Fixed term deposits
Callable deposits
Certificates of Deposit (CDs)
Bonds, notes, bills, commercial paper and other marketable instruments
AAA Money Market Funds

- 3.10 Any proposals for the use of new investment instruments will be agreed with the Director of Corporate Services for Berneslai Homes and advice will be sought from Link Asset Services prior to making any decisions.

### **Legal and Regulatory Risk (Security)**

- 3.11 This is the risk that Berneslai Homes - or an organisation which it is undertaking treasury management activities with - fails to act in accordance with its legal powers or regulatory requirements, causing reputational damage and / or resulting in financial loss.
- 3.12 In order to mitigate this risk, the organisation adopts the recommendations of the statutory guidance and receives professional advice through Link Asset Services. Officers attend regular training updates to keep up to date with the latest developments and regulatory changes.

### **Liquidity Risk**

- 3.13 This is the risk that cash is not available when needed to meet the organisation's spending commitments, causing reputational damage, compromise service objectives and potentially lead to additional unbudgeted costs.
- 3.14 In order to mitigate this risk, the organisation will maintain an appropriate balance of liquid funds (in line with the DLUHC investment guidance), through the use of MMFs and instant access accounts. MMFs are pooled investment vehicles which diversify investment risk and provide a high degree of liquidity by offering immediate access to funds. The Barclays current account balance fluctuates according to the organisation's cash flow and is monitored on a daily basis. Officers determine when funds should be transferred into or out of the current account based on knowledge of daily and monthly cash flows.
- 3.15 As shown in Appendix D, all of the organisation's investments are currently liquid (i.e. available the same day) thus virtually eliminating liquidity risk.

### **Yield**

- 3.16 The pursuit of optimum returns is a secondary priority to security and liquidity. This is particularly important in a period of significant political and economic certainty and the organisation continues to maintain a low-risk appetite for investments. The UK Bank Rate is forecast to continue to rise during 2023 and investment yields are therefore likely to increase as a result.

**Scheme of Delegation**

**The Berneslai Homes Board will:**

- Receive and review reports on investment policies, practices and activities;
- Approve the annual investment strategy; and
- Approve amendments to the adopted clauses within the investment strategy and policy statement.

**The Audit Committee will:**

- Scrutinise and make recommendations to the Board on the investment strategy and policies;
- Monitor the implementation of policies and practices; and
- Receive and review regular monitoring reports.

**The Council's Treasurer will:**

- Recommend clauses and investment policy / practices for approval, reviewing these regularly and monitoring compliance;
- Submit regular investment policy reports;
- Review the performance of the Council's treasury management function; and
- Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the Council's treasury management function.



**Policy Statement**

The authority for the management of Berneslai Homes' cash balances is delegated to the officers of the Council.

Operational procedures for the management and investment of Council funds are contained within the Treasury Management Practices (TMPs) document, which is prepared in accordance with the CIPFA Code of Practice for Treasury Management. The same procedures are applied to the management of Berneslai Homes' funds.

Taking the above into account, the 2023/24 Berneslai Homes investment policy has been developed to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the organisation's risk appetite.

Any amendments to this policy, or new investment opportunities, will be agreed with the Director of Corporate Services for Berneslai Homes prior to making any decisions.

**Performance Reporting**

A quarterly summary of investment balances and performance will be provided to the Director of Corporate Services for Berneslai Homes (as set out in Appendix D).

**Creditworthiness Policy**

As stated in section 3 of the report, Berneslai Homes applies the creditworthiness service provided by Link Asset Services (Link). This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of individual counterparties are supplemented with the following overlays:

- "Watches" and "Outlooks" from the three main credit rating agencies;
- CDS spreads that may give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

All credit ratings will be monitored weekly and officers will be alerted to changes to ratings of all three agencies through its use of Link's creditworthiness service. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

Sole reliance will not be placed on the use of this external service. Officers will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

**The Organisation's Own Bank**

The Barclays Flexible Interest-Bearing Current Account (FIBCA) continues to be used by treasury staff to effectively manage daily cash. The FIBCA also generates an annual interest payment. Barclays currently meets the minimum credit criteria (A-). Even if the bank's credit rating falls below A-, the bank will continue to be used in the immediate future for short term liquidity requirements and business continuity arrangements. An individual limit of £2.5M applies to Barclays in order to meet the organisation's cash flow requirements.



## APPENDIX D

### Berneslai Homes - Summary of Cash Management Quarter 3 2022-23

#### Investment Portfolio Overview

The balance held with each fund / counterparty as of 31<sup>st</sup> December 2022 was as follows:

FUND NAME	Type of Investment	Credit Rating	Period Closing Balance
Barclays Bank Plc	Current Account	A	£1,876,810.02
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund (Class K3)	Money Market Fund	AAA	£1,000,000.00
BlackRock Institutional Sterling Liquidity Fund (Core)	Money Market Fund	AAA	£100,000.00
Fidelity Institutional Liquidity Sterling Fund (Class A)	Money Market Fund	AAA	£2,024,639.85
Goldman Sachs Sterling Liquid Reserves (Institutional)	Money Market Fund	AAA	£500,000.00
Invesco Sterling Liquidity Portfolio (Institutional)	Money Market Fund	AAA	£200,000.00
Morgan Stanley Sterling Liquidity Fund (Institutional)	Money Market Fund	AAA	£1,000,000.00
SSgA Sterling Liquidity Fund (Institutional)	Money Market Fund	AAA	£255,000.00
£ GBP Totals			£6,956,449.87

#### Security of Investments

Cash balances have been spread across several counterparties in order to limit credit risk. The average balance held with each fund / counterparty during the quarter was as follows (further information is available on request). All investments made during the quarter were compliant with the approved Berneslai Homes investment strategy for 2022/23:

FUND NAME	Type of Investment	Investment Limit	Days Invested	Average Daily Balance
Barclays Bank Plc	Current Account	£2.5M	92	£1,130,874.43
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund (Class K3)	Money Market Fund	£2.5M	92	£1,160,869.57
BlackRock Institutional Sterling Liquidity Fund (Core)	Money Market Fund	£2.5M	92	£100,000.00
Fidelity Institutional Liquidity Sterling Fund (Class A)	Money Market Fund	£2.5M	92	£2,017,376.97
Goldman Sachs Sterling Liquid Reserves (Institutional)	Money Market Fund	£2.5M	92	£941,304.35
Invesco Sterling Liquidity Portfolio (Institutional)	Money Market Fund	£2.5M	92	£1,555,434.78
Morgan Stanley Sterling Liquidity Fund (Institutional)	Money Market Fund	£2.5M	92	£1,869,565.22
SSgA Sterling Liquidity Fund (Institutional)	Money Market Fund	£2.5M	92	£749,565.22
£ GBP Totals				£9,524,990.53

#### Liquidity of Funds

All of the organisation's investments are currently held in liquid accounts / funds, meaning that cash is available on the day of request. This reflects the investment strategy approved for 2022/23.

#### Average Yield

The average return on investments during the quarter was 2.64% (Q2 average return was 1.48%, Q1 average was 0.80%). The average return excludes interest receivable

on the Barclays current account as this is calculated on a different basis to the Money Market Funds:

FUND NAME	Average Yield Q3	Average Yield Q2	Average Yield Q1
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund (Class K3)	2.71%	1.46%	0.81%
BlackRock Institutional Sterling Liquidity Fund (Core)	2.57%	1.44%	0.75%
Fidelity Institutional Liquidity Sterling Fund (Class A)	2.72%	1.52%	0.85%
Goldman Sachs Sterling Liquid Reserves (Institutional)	2.62%	1.46%	0.82%
Invesco Sterling Liquidity Portfolio (Institutional)	2.65%	1.55%	0.81%
Morgan Stanley Sterling Liquidity Fund (Institutional)	2.63%	1.46%	0.75%
SSgA Sterling Liquidity Fund (Institutional)	2.59%	1.49%	0.81%
£ GBP Totals	2.64%	1.48%	0.80%

### Performance to date and outlook for 2022-23

The organisation's investment priorities remain security and liquidity, with the pursuit of higher returns being a secondary objective. Officers continue to invest with high quality counterparties in line with the criteria set out within the annual investment strategy. Crucially, the organisation's capital has been preserved and no investments are considered to be at risk.

The organisation's investments have returned £41,982.45\* during the third quarter of 2022/23. Total returns in quarter 2 were £24,643, and £13,814 in quarter 1. This improvement highlights the increase in investment rates over the course of the year. The average rates for the year to date are shown in the previous table for comparison purposes. Rates are expected to increase further, in-line with the Bank Rate forecast interest rate increases over the remainder of the financial year.

Officers continue to monitor the organisation's Money Market Funds on a regular basis and to date the funds have operated well. Capital has been preserved during the year and investments continue to be placed on an instant access basis in order to manage the organisation's cash flows.

Security as always, remains the priority for treasury management and this will continue in line with the 2022/23 investment strategy.

*\* Excludes the interest receivable from the Fidelity MMF and the Barclays current account.*

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<b>Report Title</b>	<b>Audit and Risk Committee Annual Report 2022</b>	<b>Confidential</b>	No
<b>Report Author</b>	<b>Chair of Audit and Risk Committee</b>	<b>Report Status</b>	For Approval
<b>Report To</b>	<b>Board</b>	<b>Officer Contact Details</b>	Sam Roebuck, Head of Governance and Strategy <a href="mailto:samantharoebuck@berneslaihomes.co.uk">samantharoebuck@berneslaihomes.co.uk</a> Claire Denson, Risk & Governance Manager <a href="mailto:clairedenson@berneslaihomes.co.uk">clairedenson@berneslaihomes.co.uk</a>

<b>1. Executive Summary</b>	1.1 To provide an annual overview of the activities undertaken by Audit and Risk Committee and, through self-assessment, identify opportunities for further development.
<b>2. Recommendations</b>	It is recommended that:  2.1 Board approve the report, including the Terms of Reference, as recommended by Audit Committee on 24 <sup>th</sup> January 2023.

### 3. Background

- 3.1 The Audit and Risk Committee Annual Report is identified by members as best practice in evaluating current activities and identifying development requirements.
- 3.2 Included within the report process is a member self-assessment aimed at evaluating the Committee's effectiveness and compliance with requirements.

### 4. Current Position /Issues for Consideration

- 4.1 The Annual Report is prepared annually for approval by the Board.
- 4.2 The self-assessment process includes a set of targeted questions for members to evaluate the performance of the Committee, then a separate set of questions for the Governance team relating to the administration of the Committee. Both assessment results have fed into the report as required.
- 4.3 The terms of reference are included as standard within this report. These have also been revised to remain in line with the CIPFA Audit Committee Core Functions.

## 5. Customer Voice/Impact

- 5.1 The aim of the Committee Self assessment is to scrutinise the internal performance and therefore customer views are not sought for this report. There are actions within the report that will impact on tenants, including increased engagement with customers.

## 6. Risk and Risk Appetite

- 6.1 There is a risk that the Board, Audit and Risk Committee and management do not appreciate Berneslai Homes' key vulnerabilities and take appropriate action to manage them. The Risk Management Framework ensures that effective mechanisms are in place for the management of risk.

- 6.2 Therefore, where required these controls are monitored via such as:

- the Strategic and operational risk register reviews
- as part of the Annual Governance Statement
- As part of this Annual performance report
- Specific reporting to board, such as financial reports, compliance reports etc
- Performance monitoring

- 6.3 Strategic Risk Appetite – Risk Adverse: We aim to comply with all relevant legislation and have zero tolerance for regulatory compliance issues. We give high priority to internal audit recommendations and take immediate action to resolve concerns. We have zero tolerance for failure to meet deadlines from regulators.

## 7. Strategic Alignment

- 7.1 The report aligns to the requirements from BMBC (Barnsley Metropolitan Borough Council) for the effective governance of Berneslai Homes. Good risk management links to the successful achievement of all our ambitions:

- Hearing Customers
- Keeping tenants Safe
- Growth of Homes and Services
- Technology and Innovation
- Employment and Training
- Zero Carbon

## 8. Data Privacy

- 8.1 There are no data privacy implications arising from this report. No personal data has been processed and no DPIA (Data Protection Impact Assessments) is required.

9. Consumer Regulatory Standards

9.1 This report relates to the following elements of the Regulatory Standard:

- Governance and Financial Viability Standard - Good Governance ensures the organisation always act in the best interests of the business. This ensures improvement of performance, unlocks new opportunities, and reduces risk.

10. Other Statutory/Regulatory Compliance

10.1 To provide Audit and Risk Committee with assurance around their operating arrangements.

11. Financial

11.1 There are no financial implications arising directly from this report.

12. Human Resources and Equality, Diversity and Inclusion

12.1 An effective Audit and Risk Committee enables effective scrutiny of all areas, including Equality and Diversity and other relevant Human Resources policies and procedures.

13. Sustainability Implications

13.1 No specific zero carbon implications from this report

14. Associated Background Papers on Decision Time

14.1 N/A

15. Appendices

15.1 Appendix A – The Audit and Risk Committee Annual Report 2022

15.2 Appendix B – Audit and Risk Committee Terms of Reference



# Audit and Risk Committee

ANNUAL REPORT 2022

## **FOREWORD BY THE CHAIR OF THE AUDIT AND RISK COMMITTEE**

I am pleased to present the Annual Report of the Audit and Risk Committee, which outlines the Committee's work and achievements over the year ending 31<sup>st</sup> December 2022.

I hope that this Annual Report helps to demonstrate the vital role that is carried out by the Audit and Risk Committee and the contribution it makes to the company's overall governance.

The report will be submitted for consideration by Board as a measure of evaluating the work undertaken by the Committee and making other members aware of what the Committee does. The Committee has seen several changes over the last 12 months including the appointment of myself as Chair and two new Board members, however the committee does include two longer term members of Board.

This has been a successful year for the Committee, with excellent improvements on the regulatory framework, and great work from the management team. I would like to express my thanks to those officers and members who have supported the work of this Committee by presenting, discussing, challenging and debating solutions to the ongoing risk, control and governance environment of Berneslai Homes. There has been constructive questioning by members throughout.

Looking forward we may need to strengthen the Committee to meet the challenges of GDPR and cyber security and will consider this as part of the succession plan for Board and Committees.

The results of our formalised self-assessment, via comments from Audit and Risk Committee members, are summarised within this report. Whilst confirming a high level of compliance with 'good practice', it also highlights areas where we can improve the Committee's effectiveness.

These are challenging times for Berneslai Homes but there are also opportunities to continue to move the organisation forward. I am confident that the Committee is very well placed to play a key role during 2022 to 2023 and beyond.

No matters raised to management remain unresolved at time of writing this report.

***Adam Hutchinson***  
***Chair of the Audit and Risk Committee***  
***January 2023***



## 1. Introduction

- 1.1 This report covers the Audit and Risk Committee's activities during the calendar year 2022. It shows that the Company is committed to working as an exemplar organisation in operating the highest standards of governance.
- 1.2 This report shows how the Audit and Risk Committee has successfully fulfilled its terms of reference and has scrutinised the Company's governance and control environments.

## 2. Role and Responsibilities

- 2.1 The Committee performs the core Audit and Risk Committee functions recommended as good practice by the Chartered Institute of Public Finance and Accountancy (CIPFA). The core functions are incorporated in the Committee's terms of reference, which have been reviewed in line with this report taking into consideration the most recent CIPFA guidelines and the actions taken from the Governance Team Audit Committee Self-Assessment. The changes are highlight in Appendix B for Board approval.

- 1.1 The overall purpose of the Audit and Risk Committee is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

- 1.2 The Audit and Risk Committee will:

- Promote the development of strong and effective governance arrangements and internal controls which support the delivery of Berneslai Homes' strategic aims and objectives and enable the Board to maintain overall control and consistency of approach.
- Support the Board in ensuring that an effective framework is established and maintained for the identification and management of risk and assurance.
- Have oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

## 3. Audit and Risk Committee Membership

- 3.1 The Audit and Risk Committee has five Members. During 2022 the membership was:

Member	Dates of appointment to Audit Committee
<b>Current members</b>	
Adam Hutchinson – Chair	September 2022 - current
Adriana Rrustemi – Tenant	September 2022 - current

Kevin Osborne – Councillor	September 2022 - current
Mark Johnson – SID	January 2020 to April 2020 / April 2021 – Current
Jo Sugden – Independent	April 2021 – Current
<b>Retired members</b>	
Gary Ellis – Chair	March 2014 – September 2022
Liana Khachatryan – Tenant	May 2017 – September 2022
Caroline Makinson – Councillor	August 2018 – May 2022

3.2 There is strong officer support to the Audit and Risk Committee through the regular attendance of the Executive Director of Corporate Services, Executive Director of Property Services, Head of Governance and Strategy, and Finance leaders.

#### **4. Meetings and attendance**

4.1 The Audit and Risk Committee had five scheduled meetings between during 2022.

<b>Audit and Risk Committee Member</b>	<b>Possible Meetings</b>	<b>Meetings Attended</b>
Gary Ellis – Chair	4	4
Liana Khachatryan	4	3
Caroline Makinson	2	2
Mark Johnson	5	5
Jo Sugden	5	4
Adam Hutchinson - Chair	1	1
Adriana Rrustemi	1	0
Kevin Osborne	1	1

Total Possible Attendances	23
Total Actual Attendances	20
Percentage Attendance	87%

#### **5. Core Activity 2022**

The Committee's work and outcomes in each of its areas of responsibility are summarised in the following sections.

##### **5.1 Internal Audit**

5.1.1 The Committee has a role to ensure that the Internal Audit function is properly resourced, and to review the activities of the Internal Audit function, including its annual work programme. The level of resource and also Internal Audit coverage has enabled an annual assurance opinion to be provided.

5.1.2 During 2021-22 and 2022:

- Internal Audit delivered all major aspects of its annual plan, achieved key performance targets and adhered to professional standards.

- Internal Audit delivered all major aspects of its annual plan, achieved key performance targets and adhered to professional standards.
- Management's compliance in responding to Internal Audit reports and implementing agreed management actions was good, with all reports being reported into the Committee to provide assurance that they are addressed by management promptly.
- The plan of work to be undertaken by Internal Audit was agreed by the Chair of Audit and Risk Committee, EMT and Internal Audit. This is a risk-based approach that identifies key risk areas to be monitored.
- Internal Audit provide an annual report on their review of core systems, the year's activity, and assurance of Berneslai Homes' control systems tested during the year. In terms of the 2021/22 report, Internal Audit gave a controls assurance opinion which reflects that systems concerning internal control were reasonable. Whilst a reasonable overall opinion was given, the Audit and Risk Committee were asked to ensure that the issues raised in the audit reviews reported during the year are implemented to improve the control environment. All 2021/22 agreed management actions were implemented on a timely basis.

## **5.2 External Audit**

- The Committee works closely with External Audit, and they are included in the full circulation list for formal meetings of the Committee.
- In August 2022, the Audit and Risk Committee received and discussed the Annual Audit Letter with BDO and was satisfied that the key issues identified were being addressed.
- A standard annual agenda item each August ensures Committee members meet with External Audit without management in attendance. This was utilised in August 2022.

## **5.3 Internal Control incorporating Risk Management, Financial Probity and Stewardship**

### **5.3.1 The Audit and Risk Committee:**

- Received, considered and recommended to Board the Annual Governance Statement and the action plan to address further development activities. The report utilises the Assurance Framework, with input from SMT and EMT feeding into the action plan, which is monitored by Committee as part of the Quarterly Risk Update. The annual report also provides Committee with assurances of works undertaken throughout the year on tackling fraud.
- Received the annual risk management report, which provided assurance of the effective implementation of the new risk framework 12 months on.

## **5.4 Accounts**

5.4.1 The Audit and Risk Committee received and considered the final annual accounts and recommended them to Board, meeting the statutory timescales.

## **5.5 Compliance**

5.5.1 Throughout the year, continued scrutiny of compliance included:

- The application of the General Data Protection Regulations (GDPR), Data Protection Act, Information and Cyber Security
- The ongoing undertaking of the risk management framework.
- Performance around the Health and Safety Compliance Scorecard.

## **6. Outcomes for 2022**

6.1 Our main focus is on adding value through our activity. By concentrating on outcomes, we can identify the benefits of our work. Our key overarching achievements this year are:

6.1.1 Training received:

- a) Information Governance Training provided by Act Now.
- b) Fraud Awareness training provided by HQN.
- c) The Role of Internal Audit and the Audit Committee provided by Internal Audit.
- d) Annual workshop provided by BMBC Internal Audit and Financial Services regarding Berneslai Homes Investments.
- e) Thorough inductions for the new members.

6.1.2 Achievements:

- a) Committee members joined EMT to undertake the two-year zero-based review of risks, issues and concerns in September 2022 resulting in a fully refreshed risk register that is fully representative of Berneslai Homes' current position.
- b) A good example of members bringing challenging topics to the agenda was the discussions around use of reserves, which have culminated in a new policy document.
- c) The SLA with BMBC Internal Audit was successfully reviewed for the next three years.
- d) Continued monitoring of progress on Repairs First to ensure we meet the challenging targets and budgets.

6.1.3 Continued progress:

- Raising the profile of corporate governance generally across the Company.
- Supporting the Internal Audit and Risk Management functions to raise their profile and improve the response to audit reports and the implementation of recommendations.

- Enquiring and challenging the Company's procedures and performance to satisfy itself that arrangements are in place and effective to enable the Committee to meet its responsibilities in providing assurance to the Board.

## **7. Plans for 2023**

7.1 To ensure that we continue to develop, we will ensure:

7.1.1 To undertake the actions identified as part of this report:

- To actively seek opportunities to further engage with tenants and staff as part of overall board development.
- To enhance engagement with the CIH and other avenues of ensuring members are up to date with current thinking. And to promote causes which advance our customers' best interests.
- Succession & development – The Committee Chair will commence annual discussions with the Head of Governance and Strategy.
- Briefing to Board members on 8th March around Budget responsibility/relationship in relation to the HRA, Capital Programme, Management Fee etc. How PRIP contract works, roles of BH/BMBC and how budgets and future investment need are agreed.

7.1.2 Continued progress by:

- Continuing to be vigilant in overseeing evolving technology to ensure effective delivery.
- Ongoing scrutiny of NHF Code of Governance self-assessment and DTP review progress against actions.
- Seeking briefings from the Executive Director of Corporate Services on technical issues as required.
- Playing a critical role in scrutinising the Annual Governance Statement and in so doing ensuring all governance arrangements are reviewed.
- Continuing to assist and support officers to promote the work of the Committee and the roles of audit and risk management and scrutinise the implementation of the risk framework.
- Supporting the continued production of high quality and compliant statutory accounts and general good practice in financial management.
- Helping to further increase awareness within the Company of its governance arrangements.
- Reviewing the monitoring of the quality of audit services being provided (both internal and external).
- Continuing the annual workshop provided by BMBC Internal Audit and Financial Services regarding Berneslai Homes Investments.
- Ensure Members continue to receive the necessary training to fulfil our responsibilities.

- k) Continue to review of risks, issues and concerns and ensure that all relevant areas are being scrutinised more deeply by the Committee. Encourage external reviews where Audit Committee feel they are beneficial.
- l) To support proactive agenda setting by Committee members, the draft agenda will be sent to members before each meeting for feedback on any additional areas they wish to include for discussion. This will be sent out following the board meeting held prior to the Audit and Risk Committee.

We are pleased with the progress and response to the challenges this year has brought. We look forward to building on this further, next year.

***Berneslai Homes Audit and Risk Committee  
January 2023***



**TERMS OF REFERENCE FOR  
AUDIT & RISK COMMITTEE**

**1. Constitutional Authority and Purpose**

- 1.1 The Audit and Risk Committee (the “Committee”) is a sub-committee of the board of Berneslai Homes. The committee may be delegated some governance responsibilities but will be accountable to Board.
- 1.2 The overall purpose of the Audit and Risk Committee is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee’s role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.
- 1.3 The Audit and Risk Committee will:
- Promote the development of strong and effective governance arrangements and internal controls which support the delivery of Berneslai Homes’ strategic aims and objectives and enable the Board to maintain overall control and consistency of approach.
  - Support the Board in ensuring that an effective framework is established and maintained for the identification and management of risk and assurance.
  - Have oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

**2. Composition**

- 2.1 For further avoidance of doubt, the Board Chair may not serve as the Committee Chair. The Chair must be a Qualified CCAB or CIMA Accountant.
- 2.2 Employees of Berneslai Homes are not eligible to serve on this Committee.
- 2.3 The Committee will have a membership of at least 3 Board members (one of which will be the Committee Chair) and can include co-opted board members and up to 2 independent members.
- 2.4 Specialists may be co-opted to Committee, in addition to those co-opted to Board, to provide particular expertise as and when required, to be approved by the Board.

	<p>2.5 If the Committee Chair is not present at a quorate meeting of the Committee, the Committee Members present shall elect one of their number to chair that meeting.</p> <p>2.6 Membership of the committee and its chair is subject to the appointment of the board and will be reviewed from time to time to ensure that the relevant skills and competency are present.</p> <p>2.7 Include, as regular attendees, the Executive Director of Corporate Services, the Chief Executive, the Head of Internal Audit, or their nominees, and the appointed external auditor. These officers should also be able to access the committee members, or the chair, as required.</p>
<p><b>3. Meetings and Quorum</b></p>	<p>3.1 The quorum for a Committee meeting shall be two, at least one of which must be a non-executive member of the Board.</p> <p>3.2 The Committee must meet at least four times a year and its proceedings and decisions shall be reported to the Board.</p> <p>3.3 At least five working days' notice of all meetings of the Audit Committee will be given to each Audit Committee Member and to the Chair of the Board unless any two members of the Audit Committee certify in writing that, because of special circumstances which are set out in the certificate, the meeting ought to be called as a matter of extreme urgency.</p> <p>3.4 Resolutions of the Committee are to be decided by a majority of votes and each Committee Member present in person shall be entitled to one vote. A written resolution signed by all of the members of the Committee (provided that they would constitute a quorum of the Committee) is as valid as if it had been passed at a meeting of the Committee and may consist of several documents in similar form each signed by one or more of the Committee.</p> <p>3.5 If there is an equality of votes, the Chair is entitled to a second or casting vote. Resolutions which fail to secure a majority in favour are to be lost.</p>
<p><b>4. Duties and Responsibilities</b></p>	<p>4.1 The principal duties of the Committee are:</p> <ul style="list-style-type: none"> <li>• To seek and provide assurance that there is effective financial control, internal controls and risk management in place across Berneslai Homes by ensuring there are adequate systems of internal control and risk management in place and by monitoring the effectiveness of those systems.</li> </ul>

- Helping Berneslai Homes to implement the values of ethical governance, including effective arrangements for countering risks of fraud and corruption. Reviewing and advising the Board on internal control systems for enhancing fraud resilience and to consider reports in relation to allegations of fraud and reports of suspicious activity in relation to money laundering and any other such exceptional issues.
- To seek assurance that Berneslai Homes activities are efficient, effective and represent value for money.
- Reviewing arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters (whistleblowing) and specifically to receive any concerns raised through these procedures that concern the Chief Executive or their delegated officer in respect of the whistleblowing arrangements.
- Reviewing arrangements and confirming processes for regulatory returns and reports on behalf of Berneslai Homes.
- Monitoring the implementation of approved recommendations relating both to internal audit reports, other relevant audit and assurance reports, external audit reports and management letters across Berneslai Homes.
- Monitoring data protection compliance and Information security compliance .
- Initiating reports and investigations as it sees fit, having the right of access to all minutes, books, documents or any other information maintained within the organisation.
- Reporting annually to the Board on the internal controls and assurance arrangements in place through a process of integrated assurance, including:
  - Reviewing, assessing and monitoring the effectiveness of the external and internal audit services and their relationship with each other.
  - Reviewing arrangements and confirming processes for a range of additional assurance sources.
  - Receiving and reviewing an annual assurance report before making recommendations as to its acceptance to the Board.

	<ul style="list-style-type: none"> <li>• To comment on and review the Treasury Management Strategy and make recommendations to Board on that Strategy. To receive reports on Treasury Management activities and performance. To report to the Board on any breaches of Treasury Strategy or Procedure.</li> <li>• Monitoring Health and Safety Landlord compliance (compliance audit scorecard).</li> <li>• With Governance at it's core, by supporting a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good govern</li> </ul> <p>More specific responsibilities of the Committee are detailed in sections below:</p>
<p><b>4.2 Financial Accountability</b></p>	<p>The Committee will monitor the integrity of the annual financial statements, interim reports and any formal announcements relating to Berneslai Homes' financial performance before they are presented to the Board, focusing on:</p> <ul style="list-style-type: none"> <li>• Accounting policies</li> <li>• Compliance with accounting standards</li> <li>• Reviewing significant financial reporting judgements</li> <li>• Findings of the external auditor, including significant audit adjustments.</li> </ul>
<p><b>4.3 Internal Audit</b></p>	<p>The Committee will monitor and review the effectiveness of the internal audit function and more particularly will:</p> <ul style="list-style-type: none"> <li>• Ensure that there is a transparent procedure in place for the periodic review of the appointment of internal auditors. Advise the Board on the appointment and remuneration of the internal auditor and their scope of work.</li> <li>• Review the long-term plan for internal audit, approve the Annual Plan, and monitor results as presented in internal audit's interim reports and annual report.</li> <li>• Review, consider and advise upon reports made by the internal audit service as to the functioning, maintenance and development of Berneslai Homes' control systems.</li> <li>• Review and monitor management's responsiveness to the internal auditor' findings and recommendations.</li> <li>• Monitor and assess the effectiveness of the internal audit function in the overall context of Berneslai Homes' risk management and assurance arrangements.</li> </ul>

	<ul style="list-style-type: none"> <li>• Be able to meet privately and separately with the Head of Internal Audit.</li> </ul>
<p><b>4.4 External Audit</b></p>	<p>The Committee will oversee Berneslai Homes' relations with the external auditor and more particularly will:</p> <ul style="list-style-type: none"> <li>• Ensure that there is a transparent procedure in place for the selection and periodic review of the appointment of external auditors.</li> <li>• Appoint the external auditors, subject to any ratification required at the Annual General Meeting.</li> <li>• Advise the Board on the appointment and remuneration of the external auditor and review and agree the level of fees and the letter of engagement prior to the start of each annual audit.</li> <li>• Meet with the external auditor at least twice per year to consider the scope of the audit at planning stage, and the resulting opinion, reports and recommendations , and monitor management action in response to the issues raised by external audit.</li> <li>• Review on an annual basis, the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional, regulatory and ethical requirements including the regular rotation of relationship partners.</li> <li>• Meet privately and separately with the external auditor.</li> </ul>
<p><b>4.5 Risk</b></p>	<ol style="list-style-type: none"> <li>1. The Committee should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues. <ul style="list-style-type: none"> <li>- The Committee will review and advise the Board, who approve the overall risk assessment process, on the current risk exposures of Berneslai Homes and risk strategy by: Regularly reviewing and scrutinising the overall risk assessment processes that inform the Board's decision making.</li> <li>- Reviewing and reporting to the Board upon the strategic and operational risk maps, and any other risk types of critical importance, annually,</li> <li>- Reviewing and reporting to the Board on Berneslai Homes' overall risk appetite, tolerance and strategy. Reviewing reports on any material breaches of risk limits and risk management, including any potential for 'serious detriment' as defined by the Regulator, including the adequacy of proposed action</li> </ul> </li> </ol>

<p><b>5. General Authority and Scope</b></p>	<p>5.1 The Committee is authorised to investigate any activity of Berneslai Homes within its terms of reference and in accordance with any advice or guidance from the Regulator. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any reasonable request made by the committee.</p> <p>5.2 The Committee has rights of access to and constructive engagement with other committees and scrutiny functions and strategic groups.</p> <p>5.1 Following prior consultation with the Chair of the Board and, where appropriate, the Chief Executive, the Committee is authorised to obtain legal or other professional advice which is relevant to its purpose, as it deems necessary and within the relevant budget allocation (if any) allowed for those costs in each year. However it may incur direct expenditure of £5000 without the prior approval of the Board.</p> <p>5.2 The Committee shall in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its decisions, referring to the Decision Making Framework for clarification.</p>
<p><b>6. Review</b></p>	<p>6.1 The Board has approved these Terms of Reference and they will bind the Committee from</p> <p>6.2 At least annually, the Committee shall review its delegated responsibilities, reporting arrangements, terms of reference and effectiveness and report its conclusions to the Board, including any recommendations for changes.</p>
<p><b>7. Reporting procedures</b></p>	<p>7.1 The Board will obtain assurance on the committee’s work via minutes and regular verbal feedback from the Committee Chair on all of the Committee meetings.</p> <p>7.2 The Chair of the Committee will ensure that key issues are promptly brought to the attention of the Board.</p> <p>7.3 The Committee will report formally on its work to the Board on an annual basis.</p> <p>7.4 Minutes of each Audit Committee meeting (which record the salient points of the discussions which take place and all decisions which</p>



are taken) must be kept and must be produced promptly after the relevant meeting both to that Audit Committee and to the Board.

7.5 Minutes of each committee meeting must where possible be circulated to all Board Members in advance of the next Board Meeting. Consideration of these minutes must form an agenda item at that Board Meeting.

7.6 The Committee will submit any reports it considers necessary to the Board.



Creating great homes and communities  
with the people of Barnsley

## Agenda Item 9.1

<b>Report Title</b>	Quarter three, Corporate Performance Summary	<b>Confidential</b>	No
<b>Report Author</b>	Sarah Drafz	<b>Report Status</b>	For Information
<b>Report To</b>	Board 23/02/2023	<b>Officer Contact Details</b>	<a href="mailto:Sarahdrafz3@berneslaihomes.co.uk">Sarahdrafz3@berneslaihomes.co.uk</a>

<b>1. Executive Summary</b>	<p>This report presents an assessment of Berneslai Homes performance for Quarter three (October to December) of the 2022/23 financial year.</p> <p>In comparison to quarter two, overall performance for quarter three has improved slightly with seven of the 28 Key Performance Indicators (KPIs) now reported as behind target in comparison with eight red rated KPIs last quarter. The following measures were rated as red for quarter three:</p> <ul style="list-style-type: none"> <li>• Tenant satisfaction</li> <li>• The percentage of tenants who feel that their views are listened to and acted upon</li> <li>• To spend at least 75% of funds locally supporting the Barnsley economy</li> <li>• Percentage of complaints resolved in agreed time</li> <li>• Average number of sick days per employee</li> <li>• Percentage of staff defining under the Equality Act definition of disability</li> <li>• We will answer 80% of priority calls in less than three minutes</li> </ul> <p>Customer Services Committee were assured that appropriate measures were in place to address areas of underperformance.</p>
<b>2. Recommendation/s</b>	<p>2.1 Board are asked to consider and comment on the performance of the organisation during the third quarter of the financial year.</p> <p>2.2 In so doing, they should ensure they are satisfied that where performance targets have not been achieved that the issues causing this are clear and that there are adequate controls and actions in place to address the reasons for this.</p>

2.3 Board should identify any areas where they feel as though more detailed consideration is required by Customer Services Committee.

### 3. Background

- 3.1 Berneslai Homes performance is measured so that we can monitor the success of our Strategic Plan commitments, see how well different parts of the business are doing and see the difference we are making to our customers. On a quarterly basis a report showing company performance against a suite of KPIs is received by and scrutinised at Customer Services Committee.
- 3.2 For quarter three of 2022/23 there were seven KPIs identified as behind target in comparison to eight KPIs behind target in quarter two. Where key exceptions were identified commentary and trend data was provided in the performance report.
- 3.3 The key performance indicators measured are segmented according to the organisations mission; great place, great people, great company which supports the organisations vision; creating great homes and communities with the people of Barnsley.

### 4. Current Position /Issues for Consideration

- 4.1 In comparison to quarter two overall performance for quarter three has improved slightly with seven of the 28 Key Performance Indicators (KPIs) reported as behind target.
- 4.2 There has been a deterioration in the proportion of complaints resolved in the agreed time. Quarter three performance was 68.06% against a target of 75% a 17.23 percentage point decrease on quarter one. We have received approximately double the number of stage one and stage two complaints in comparison with the same period last year. The majority of complaints are repairs related, delays with planned works and inspections along with an increased volume of damp and mould complaints related to recent publicity have played a part in the increased numbers. We are working to address this, one of the identified improvements has resulted in the appointment of a Customer Services Officer dedicated to the Repairs Team responsible for coordinating repairs related complaints.
- 4.3 Contact Centre performance continues to be behind target with quarter three data showing 53.57% of priority calls were answered in less than three minutes against a target of 80%. The Contact Centre which forms part of Barnsley Council has had a number of vacancies over the last few months, this along with a recent restructure and staff sickness have all impacted on performance. Since the quarter three performance report was published, January data shows an 18.23 percentage point deterioration in performance with 35.34% of priority calls answered in less than three minutes. The Executive Director of Customer and Estate Services raised Berneslai Homes concerns in relation to the Contact Centre performance at the Council's Customer and Digital Services Board

(which oversees the Contact Centre Improvement Plan) at its meeting in January.

- 4.4 Rent collection levels have improved this quarter from 95.83% to 96.11% and are now rated as amber - slightly behind target. The final benefits payment file for December was not posted to accounts by the Council. This meant that approximately £500,000 of rent payments did not appear on accounts. If this posting had taken place, then the collection rate would have been approximately 97%. Since the quarter three performance report was created, January performance data shows a further incremental improvement in this measure to 96.18%, the Income Team has an action plan underway to push towards meeting the year-end target of 97%. The percentage of rent arrears has decreased slightly in comparison to the previous quarter and January performance data shows a further incremental decrease with arrears at 3.37%. We have several support initiatives in place for our tenants as the cost-of-living crisis continues including a fund for tenants experiencing severe financial hardship, support targeted towards low-income households, personal budgeting support and access to warm and welcoming spaces.
- 4.5 The continued increase in utility costs has further impacted on a decrease in the proportion of spend made locally supporting the Barnsley economy. For quarter three, 66.79% of funds were spent locally against a target of 72%.
- 4.6 The average number of days sick per employee has increased slightly this quarter to 10.83 days against a target of nine. Performance is marginally better than at the same point last year. The main cause of ill health in December was musculoskeletal related closely followed by mental ill health. We are in the early days of embedding a partnership with Reds in the Community, to assist staff with physical\mental wellbeing and we hope to see a positive impact from this.
- 4.7 At quarter three 5.45% of employees defined themselves as disabled under the Equality Act definition against a target of 8%. Specific actions to improve representation are identified in our Equality of Opportunity report. Two recruitment events took place in February, details of the events were shared with Equality forums and the DWP.

## 5. Customer Voice/Impact

- 5.1 To ensure that tenant's voices are represented, Tenant Voice Panel members sit on the Customer Services Committee and are involved in scrutiny of quarterly performance. In addition, two tenant Board representatives are members of Customer Services Committee and provide scrutiny of company performance.

## 6. Risk and Risk Appetite

- 6.1 There are no risk register items which directly link to this report.

## 7. Strategic Alignment

- 7.1 Our KPIs are aligned to our mission; Great place, great people, great company, which supports our vision 'Creating great homes and communities with the people of Barnsley.' We work closely with the council to ensure we align our

services and Strategic Plan to meet the challenges and opportunities of their new Corporate Plan and the Barnsley 2030 vision

7.2 The performance report links to all the Barnsley 2030 Strategic Ambitions (listed below) as it is one of the mechanisms by which we monitor our performance against plan.

- Hearing Customers
- Keeping tenants Safe
- Growth of Homes and Services
- Technology and Innovation
- Employment and Training
- Zero Carbon

## 8. Data Privacy

No processing of personal data has taken place in the creation of this report.

## 9. Consumer Regulatory Standards

9.1 This report relates to the following elements of the Regulatory Standard:

- Governance and Financial Viability Standard
- Value for Money Standard
- Home Standard
- Tenancy Standard
- Neighbourhood and Community Standard
- Tenant Involvement and Empowerment Standard

By measuring and monitoring performance against our KPIs and involving tenants in this process we can effectively ensure we demonstrate progress towards achievement of our strategic objectives and compliance with multiple regulatory standards.

## 10. Other Statutory/Regulatory Compliance

10.1 There are no specific statutory or regulatory compliance implications arising directly from this report.

## 11. Financial

11.1 There are no specific financial implications arising directly from this report.

## 12. Human Resources and Equality, Diversity and Inclusion

12.1 There are no human resource implications arising directly out of the recommendations in this report.

## 13. Sustainability Implications

13.1 Various performance measures reported assess progress towards achieving our net zero ambitions which in turn links to our sustainability strategy.

14. Associated Background Papers

None

15. Appendix

Appendix A – Quarter 3 Performance Report

# Quarterly Performance Report Quarter 3 - 2022/2023



# Contents

Council Pulse	2
Company Pulse	6



### GREAT PLACE

Annual Indicator



Safe and Secure Home

Annual Indicator



Tenant Satisfaction with Repairs

Bi-Annual Indicator



DHS Compliance



Priority 1 Repairs



Non-Emergency Repairs



Average re-let days



H&S Compliance



Average SAP Ratings



EPC C or Above

### GREAT PEOPLE

Annual Indicator



Tenant Satisfaction

Annual Indicator



Listening to Tenants



Appointments Kept



Apprentices as a % of Workforce

### GREAT COMPANY



Void Rent Loss



Rent Collection



Barnsley Pound

New Annual indicator



Management Fee Efficiency Target

#### HEADLINES

The percentage of priority 1 repairs completed in target timescales exceeds target.










#### HEADLINES

99.76% of appointments were kept which exceeds target of 99.1%

#### HEADLINES

There has been a marginal improvement in rent collection meaning this measure is now amber rated. Void rent loss remains stable and below target.

YEAR END 21/22\*      Q1      Q2      Q3      Q4      TARGET 22/23      Bench mark


GREAT PLACE			YEAR END 21/22*	Q1	Q2	Q3	Q4	TARGET 22/23	Bench mark	
			83%	83.4%				86% (±3)	80%	<b>Safe and Secure (BH2)</b> The percentage of tenants that are satisfied their home is safe and secure (STAR survey question).
Annual Indicator  Safe and Secure Home	Annual Indicator  Tenant Satisfaction with Repairs	Bi-Annual Indicator  DHS Compliance	79%	79.5%				82% (±3)		<b>Keeping properties in good repair (BH4)</b> Tenant satisfaction with landlord's repairs and maintenance service (STAR survey question).
			99.71%	99.71%	Measured at the start and end of the year			100%	100%	<b>Keeping properties in good repair (BH6)</b> Compliance with Decent Homes Standard.
 Priority 1 Repairs	 Non-Emergency Repairs	 Average re-let days	99.02%	99.76%	99.34%	99.58%		99.5%		<b>Priority Repairs (BH5)</b> Priority 1 Repairs - 24 hours percentage completed on time.
			8.83	9.11	10.00	9.29		9.0		<b>Non-Emergency Reactive Repairs (BH7)</b> Average length of time taken to complete non-emergency reactive repairs.
 H&S Compliance	 Average SAP Ratings	 EPC C or Above	31.02	27.85	31.16	29.82		25.00		<b>Average re-let days (BH9a)</b> Average time to re-let local authority housing (calendar days).
			99.08%	99.01%	99.21%	99.27%		100%		<b>Maintaining Building Safety (BH13)</b> Compliance with health and safety obligations.
			New	65.98	66.19	66.22		67		<b>SAP Ratings (BH14a)</b> Average SAP ratings across stock.
			New	29%	30.31%	31.33%		35%		<b>EPC Ratings (BH14b)</b> Percentage of Properties with an EPC C or above.

\*Year end performance was assessed based on whether a target was achieved (denoted by green formatting) or missed (denoted by red formatting)

YEAR END 21/22*	Q1	Q2	Q3	Q4	TARGET 22/23	Bench mark
-----------------	----	----	----	----	--------------	------------


## GREAT PEOPLE

Annual Indicator




Tenant Satisfaction


Annual Indicator



Listening to Tenants



Appointments Kept



Apprentices as a % of Workforce

85%	84.2%				89% (±3)	78%
70%	68.1%				78% (±3)	64%
99.37%	99.18%	98.98%	99.76%		99.1%	96.6%
7.66%	6.65%	5.47%	4.38%		3%	

### Tenant Satisfaction (BH1)

The percentage of all tenants satisfied with the overall service provided (STAR survey question).

### Listening to Tenants (BH3)

Percentage of tenants who feel that their views are listened to and acted upon (STAR survey question).

### Appointments Kept (BH8)





Percentage of appointments kept.

### Apprentices (BH11)

We will employ as a minimum 3% of our workforce as apprentices.

\*Year end performance was assessed based on whether a target was achieved (denoted by green formatting) or missed (denoted by red formatting)

YEAR END 21/22*	Q1	Q2	Q3	Q4	TARGET 22/23
-----------------	----	----	----	----	--------------

GREAT COMPANY		YEAR END 21/22*	Q1	Q2	Q3	Q4	TARGET 22/23	
	Void Rent Loss	0.73%	0.83%	0.82%	0.82%		1.05%	<b>Void Rent Loss (BH9b)</b> Income lost due to void properties
	Rent Collection	96.37%	94.43%	95.83%	96.11%		97%	<b>Rent collection (BH10)</b> Rent collected as a proportion of rents owed on Housing Revenue Account dwellings.
	Barnsley Pound	71.36%	70.15%	69.29%	66.79%		72%	<b>Local Spend (BH12)</b> Spend at least 75% of funds locally supporting the Barnsley economy.
	Management Fee Efficiency Target	New	Measured annually in Q4				New	<b>Management Fee (BH15)</b> Management Fee Efficiency target as part of annual Value For Money report.

\*Year end performance was assessed based on whether a target was achieved (denoted by green formatting) or missed (denoted by red formatting)

## GREAT PLACE

No Exceptions

## GREAT PEOPLE



### Tenant Satisfaction

The percentage of all tenants satisfied with the overall service provided (STAR survey question).



### Listening to Tenants

Percentage of tenants who feel that their views are listened to and acted upon (STAR survey question).

## GREAT COMPANY



### Barnsley Pound

Spend at least 75% of funds locally supporting the Barnsley economy.

### GREAT PLACE

New Annual indicator



Tenant Satisfaction home is safe



Right First Time

### GREAT PEOPLE

Annual Indicator



Complaints



Tenant Satisfaction with Complaints Handling

New indicator



Staff Satisfaction



Staff Attendance



Equality Act



BME

### GREAT COMPANY

Annual Indicator



Net Promoter



Current Tenant Arrears



Contact Centre

#### HEADLINES

The proportion of responsive repairs being completed right first time exceeds the annual target.

#### HEADLINES

Since the start of the financial year there has been a significant reduction in the percentage of complaints resolved in agreed time.

#### HEADLINES

Only 53.57% of priority calls were answered in target times.

YEAR END 21/22	Q1	Q2	Q3	Q4	TARGET 22/23
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## GREAT PLACE

New Annual indicator



Tenant Satisfaction home is safe



Right First Time

New	84.4%				New
72.45%	78.21%	78.5%	82.11%		81%









### Maintaining Building Safety

Tenant satisfaction home is well maintained and safe to live in

### Keeping properties in good repair

Right first time.

YEAR END 21/22	Q1	Q2	Q3	Q4	TARGET 22/23	Bench mark
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GREAT PEOPLE		87.9%	85.29%	70.68%	68.06%		75%	
 Complaints	Annual Indicator  Tenant Satisfaction with Complaints Handling	63%	63.70%				70%	54%
	New indicator  Staff Satisfaction	 Staff Attendance	New	68%				New
 Staff Satisfaction	 Staff Attendance	11.10	10.00	10.60	10.83		9.0	
		5.41%	5.19%	5.51%	5.45%		8%	
 Equality Act	 BME	2.16%	1.97%	2.57%	2.63%		2%	

### Complaints

Percentage of complaints resolved in agreed time (local offer).

### Complaints

Tenant satisfaction with complaints handling (STAR).

### Staff Satisfaction

Employee satisfaction rate. My organisation is a great place to work.

### Staff Attendance

Average number of days absent per full time equivalent employee.

### Diversity

Percentage of staff defining under the Equality Act definition of disability.

### Diversity

Percentage of BME staff in total workforce.



YEAR END 21/22	Q1	Q2	Q3	Q4	TARGET 22/23	Bench mark
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## GREAT COMPANY

Annual Indicator



Net Promoter

26

34.6

>30

34

### Net Promoter

Likely to recommend Berneslai Homes.

3.29%

3.57%

3.46%

3.38%

3%

### Current Rent Arrears

Percentage of Current Tenant Arrears.

New

85.27%

50.11%

53.57%

80%

### Contact Centre

We will answer 80% of priority calls in less than 3 minutes (Contact Centre).



Current Tenant Arrears



Contact Centre

## GREAT PLACE

No Exceptions

## GREAT PEOPLE



### Complaints

Percentage of complaints resolved in agreed time (local offer).



### Staff Attendance

Average number of days absent per full time equivalent employee.



### Diversity - Equality Act

Percentage of staff defining under the Equality Act definition of disability.

## GREAT COMPANY



### Contact Centre

We will answer 80% or priority calls in less than 3 minutes (Contact Centre).

## Agenda Item 9.2

<b>Report Title</b>	<b>Quarterly Risk Update</b>	<b>Confidential</b>	No
<b>Report Author</b>	<b>Executive Director of Corporate Services</b>	<b>Report Status</b>	For Information
<b>Report To</b>	<b>Board</b>	<b>Officer Contact Details</b>	Sam Roebuck, Head of Governance and Strategy <a href="mailto:samantharoebuck@berneslaihomes.co.uk">samantharoebuck@berneslaihomes.co.uk</a> Claire Denson, Risk & Governance Manager <a href="mailto:clairedenson@berneslaihomes.co.uk">clairedenson@berneslaihomes.co.uk</a>

<b>1. Executive Summary</b>	<p>1.1 To receive the quarterly update on the Berneslai Homes' risk framework.</p> <p>1.2 This report focuses on the Strategic Issues and Concerns Register, but the Board are also asked to note the Operational and Fraud issues and concerns registers, all available to view on the <a href="#">risk system</a>. A summary of the current Strategic risks has been provided at <b>Appendix A</b></p> <p>1.3 It was agreed by Audit Committee that the focus of their next deep dive would be cyber security. This deep dive has been aligned to the sector risk profile which highlights Data Security as a key Sector risk. The summary of the deep dive is provided at <b>Appendix B</b> and was presented by key officers from BMBC at the Audit Committee on 24<sup>th</sup> January 2023.</p> <p>1.4 We undertake an annual self-assessment against the Sector Risk Profile, with the latest version published in late 2022. The full 2022 assessment is provided at <b>Appendix C</b>.</p> <p>1.5 The Annual Governance Statement Action Plan will continue to be monitored by the Governance Team with progress updates available to view in <a href="#">Decision Time Resources</a>.</p>
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## 2. Recommendations

It is recommended that:

- i. Board review and comment on the quarterly Risk Update.
- ii. Board review and comment on the Strategic Risks
- iii. Board review and comment on the RSH Sector Risk Profile Self Assessment carried out by BH.

## 3. Background

3.1 This report provides a quarterly update on risk management performance including Berneslai Homes' strategic and operational issues and concerns.

## 4. Current Position /Issues for Consideration

### 4.1 Strategic Issues and Concerns

4.1.1 This report focuses on the Strategic Issues and Concerns Register, but Board are also asked to review and comment on the operational issues and concerns registers [linked via SharePoint](#).

4.1.2 The front page of the Strategic Register contains the headline details of each issue and concern to ensure they:

- i) Are visibly linked to the current RSH Risk Profile 2022, having being cross-referenced to ensure all risks which are relevant to Berneslai Homes have been captured.
- ii) Are visibly linked to the Governance Domains (High level strategic risk areas).
- iii) Follow the evolving level of concern, identifying where we are less, more or same concerned about a particular issue or concern since the previous review.

4.1.3 A summary of the current Strategic risks has been provided at **Appendix A**, with full details of mitigations available on the linked [risk system](#).

4.1.4 Each Operational risk register is also undergoing a zero-based review. This is a work-in-progress and available to view on the [risk system](#).

4.1.5 It was agreed by Audit Committee that the focus of the next deep dive would be cyber security. This deep dive has been aligned to the sector risk profile which highlights Data Security as a key Sector risk: "The National Cyber Security Centre has emphasised UK organisations should prepare for an extended period of heightened threat following Russia's invasion of Ukraine. In recent months, there have been a number of providers reporting data security issues, resulting in disruption to systems and key service delivery". The summary of the deep dive is provided at **Appendix B** and key officers from BMBC were in attendance to discuss further at the Audit Committee on 24<sup>th</sup> January 2023..

4.1.6 Board requested that the Committee review risk around the New Repairs System Implementation. A verbal update was provided to Audit Committee on 24<sup>th</sup> January 2023, including Update on Budget Position.

## 4.2 RSH Sector Risk Profile 2022

4.2.1 The Regulator of Social Housing's Sector risk profile is intended to help boards have a better understanding of the risks in an increasingly complex and diverse sector.

4.2.2 With knowledge and oversight of these risks, Board's role is to ensure that Berneslai Homes remains compliant with legislation and regulation, prioritising safety and essential services. The general themes of the profile are key areas of focus for boards these are

- Strategic Direction
- Macroeconomic risk and viability
- New supply and development
- Stock decency and safety
- Service delivery and accountability
- Reputation

Not all of the risks apply, however the key points relevant to Berneslai Homes as an ALMO are identified and risk assessed.

4.2.3 We undertake an annual self-assessment against the Sector Risk Profile, with the latest version published in late 2022. The full 2022 assessment is provided at **Appendix C**.

4.2.4 The new Board/Committee report template ensures that report writers and therefore EMT and Board members consider their risk appetite and provide a measured approach in managing risks, therefore helping to ensure that Committees and Board decision making is underpinned by detailed knowledge and high-quality information. The Strategic Risk Register is closely assessed by Audit Committee and overseen by Board.

## 4.3 Risk Management Framework Update

4.3.1 The Annual Governance Statement Action Plan will continue to be monitored by the Governance Team with progress updates available to view in [Decision Time Resources](#).

4.3.2 The latest live Fraud Issues and Concerns register is available to view on the [risk system](#) – filter 'Fraud' Risks.

## 5. Customer Voice/Impact

5.1 The aim of the review of risks is to scrutinise the internal risk management system and therefore customer views are not sought for this report. A number of risks and mitigations arising from reviewing our risks seek to enhance the customer voice.

## 6. Risk and Risk Appetite

6.1 There is a risk that the Board, Audit and Risk Committee and management do not appreciate Berneslai Homes' key vulnerabilities and take appropriate action to manage them. The Risk Management Framework ensures that effective mechanisms are in place for the management of risk.

- 6.2 Therefore, where required these controls are monitored via such as:
- the Strategic and operational risk register reviews
  - as part of the Annual Governance Statement.
  - Specific reporting to board, such as financial reports, compliance reports etc
  - Performance monitoring

6.3 Strategic Risk Appetite – Risk Adverse: We aim to comply with all relevant legislation and have zero tolerance for regulatory compliance issues. We give high priority to internal audit recommendations and take immediate action to resolve concerns. We have zero tolerance for failure to meet deadlines from regulators.

## 7. Strategic Alignment

- 7.1 The report aligns to the requirements from BMBC (Barnsley Metropolitan Borough Council) for the effective governance of Berneslai Homes. Good risk management links to the successful achievement of all our ambitions:
- Hearing Customers
  - Keeping tenants Safe
  - Growth of Homes and Services
  - Technology and Innovation
  - Employment and Training
  - Zero Carbon

## 8. Data Privacy

8.1 There are no data privacy implications arising from this report. No personal data has been processed and no DPIA (Data Protection Impact Assessments) is required.

## 9. Consumer Regulatory Standards

9.1 This report relates to the following elements of the Regulatory Standard:

- Governance and Financial Viability Standard - Good Governance ensures the organisation always act in the best interests of the business. This ensures improvement of performance, unlocks new opportunities, and reduces risk.

## 10. Other Statutory/Regulatory Compliance

10.1 To provide Board with assurance around our risk management arrangements.

## 11. Financial

11.1 There are no financial implications arising directly from this report.

## 12. Human Resources and Equality, Diversity and Inclusion

12.1 Human Resources Policies and Procedures, including Equality, Diversity and Inclusion are key internal controls and seek to mitigate any associated risks.

- 13. Sustainability Implications
- 13.1 No specific zero carbon implications from this report
- 14. Associated Background Papers on Decision Time
- 14.1 Live Strategic, Operational, Project and Fraud Issues and Concerns registers – [risk system on SharePoint](#)
- 14.2 Annual Governance Statement action plan progress update – [Performance Monitoring Section](#)
- 14.3 RSH Sector Risk Profile 2022 – [Governance Handbook section](#)
- 15. Appendices
- 15.1 Appendix A – Strategic Risks Summary
- 15.2 Appendix B – Cyber Security Deep Dive
- 15.3 Appendix C – RSH Sector Risk Profile 2022 BH Self Assessment

Appendix A - Strategic Risks January 2023

Title	Response Rating	Status	Impact	Level of Concern since previous review	Assessment	Description	Issue/Concern Owner	Strategic Objective	Strategic Risk Area (RSH Sector Risk Profile)
Mould, damp and condensation	Critical	Actual	Actual	More Concerned ^	<ul style="list-style-type: none"> <li>- Damp, mould and condensation have become a priority risk for all landlords, especially due to tenants being unable to afford to heat their homes due to the cost of living crisis.</li> <li>- A letter by Michael Gove warns of the consequences of not taking responsibility and treating damp and mould seriously - <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1118876/SoS_letter_to_all_providers_of_social_housing.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1118876/SoS_letter_to_all_providers_of_social_housing.pdf</a></li> <li>- The issue is prevalent in the news and tenants are fighting back</li> </ul> (Risk added as a result of EMT meeting 22/11/22)	Are we keeping tenants safe by ensuring that damp, mould and condensation are not a health risk to tenants?  A letter by Michael Gove says that govt expect landlords to be undertaking assessments of: <ul style="list-style-type: none"> <li>• damp and mould issues affecting our properties, including the prevalence of category 1 and 2 damp and mould hazards;</li> <li>• the action we have identified that may need to be taken in relation to damp and mould issues affecting our properties</li> </ul>	Executive Director of Property Services	Sustainable Communities	Health and Safety
Vulnerability of in-house and third party systems to cyber attack	Critical	Potential	Potential	Same Concerned >	<ul style="list-style-type: none"> <li>• Cyber-attacks are increasing in number, the organisation is becoming more agile, there is an increasing volume of data held on IT systems and the systems are becoming more complex.</li> <li>• Legislation in place which means risk management is crucial.</li> </ul>	<ul style="list-style-type: none"> <li>• A vulnerability maybe exploited leading to cyber-attack of in-house and/or third-party systems impacting confidentiality, integrity or availability of data and information.</li> <li>• This could lead to, amongst others, financial loss, fines, regulator intervention, inability to deliver services, reputational.</li> <li>• As a public sector organisation, we are more at risk from the current situation with Russia and Ukraine and the increased cyber-attacks in general. No evidence of increased attacks currently.</li> </ul>	Executive Director of Corporate Services	Well Managed	Data Security
The health and safety of tenants and staff	Critical	Potential	Potential	Same Concerned >	Failure to comply with H&S legislation could result in injury or death and associated business risks.	Refreshed risk 10.10.22 (Zero based risk review) - amalgamated relevant parts of "personal safety off staff" and 'Failure to meet statutory requirements in respect of property/assets including Building Safety' <ul style="list-style-type: none"> <li>• Statutory H&amp;S requirements - Safe working practices to keep tenants and staff safe</li> <li>• Failure to implement policies and procedures and associated communications / training.</li> <li>• Lone working / personal safety / violence and aggression</li> </ul>	Exec Dir Customer & Estate Services and Exec Dir of Property Services	Well Managed	Health and Safety
Increase in staff mental ill health and wellbeing	Critical	Actual	Actual	Same Concerned >	The economic climate is impacting on staff wellbeing as a result of circumstances at home and also increased demands on staff due to the impact on BH services.	New risk added 05.10.22 (Zero-based risk review) <ul style="list-style-type: none"> <li>• Service restructures, increased service demands, more difficult and complex cases to manage.</li> <li>• Staff wellbeing is increasing sickness absence.</li> <li>• Cost of living is bringing staff back into the office and putting strain on the agile working model.</li> <li>• Impact of agile working on staff and services – quality assurance (management controls)</li> </ul>	Executive Director of Corporate Services	Well Managed	Health and Safety
The cost-of-living crisis is impacting tenants and our communities	Critical	Actual	Actual	Same Concerned >	<ul style="list-style-type: none"> <li>• Cost of Living</li> <li>• Reduced funding</li> <li>• More support needs</li> </ul>	New risk added 05.10.22 (Zero-based risk review) <ul style="list-style-type: none"> <li>• Condition of homes – changing behaviours</li> <li>• Vulnerable tenants – changing behaviours</li> <li>• Rent arrears, govt policy,</li> <li>• Less tenant turnover – reduction in void levels</li> <li>• Disrepair cases – legal costs – increasing</li> <li>• Communal heating systems - affordability</li> <li>• Unpredictability of tenant behaviour - increased violence and aggression towards staff, chaotic lifestyles</li> <li>• Sustainability of estates – increased ASB, crime, DV</li> </ul> Opportunity: <ul style="list-style-type: none"> <li>• Tenants may want to move to smaller accommodation, which will release family-sized properties.</li> </ul>	Exec Dir Customer & Estate Services and Exec Dir of Property Services	Sustainable Communities	Delivering Services to Tenants



Title	Response Rating	Status	Impact	Level of Concern since previous review	Assessment	Description	Issue/Concern Owner	Strategic Objective	Strategic Risk Area (RSH Sector Risk Profile)
Ability to source the right materials and services at the right price	Important	Actual	Actual	Same Concerned >	Brexit / COVID / cost of Living	Refreshed risk 10.10.22 (zero based risk review) <ul style="list-style-type: none"> <li>Increased cost of materials - and continue to increase</li> <li>Contractors not being local (Barnsley pound)</li> <li>Smaller company and expertise shrinking for ALMOs / housing orgs – trouble attracting subcontractors</li> </ul>	Managing Director of Construction Services	Well Managed	Construction process risk
Struggling to recruit staff and keep the right people with the right skills	Important	Actual	Actual	Same Concerned >	<ul style="list-style-type: none"> <li>Rising national salaries and national workforce shortages.</li> <li>Boom in Construction sector - record high vacancies in the sector - operatives leaving, agency staff paid better elsewhere (minimal CVs coming from agency). Lack of migrant workers.</li> <li>Increasing regulatory environment requires sought-after technical skills</li> </ul>	Risk refreshed 05.10.22 (Zero-based risk review) <ul style="list-style-type: none"> <li>Competing with other organisations with higher salaries for technical roles - therefore hard to source and hard to keep.</li> <li>Commitment to the professionalism agenda – learning organisation, productivity, reputation</li> </ul>	Executive Director of Corporate Services	Well Managed	Delivering Services to Tenants
The zero-carbon agenda is not sufficiently funded or skilled	Important	Actual	Actual	Same Concerned >	Strategic priority in line with local and national government	Risk added 05.10.22 (Zero-based risk review) <ul style="list-style-type: none"> <li>Questions around the sustainability of some estates – types of homes / energy efficiency</li> <li>Difficult to maximise funding opportunities – essential partnership working with BMBC</li> <li>Requires upskilling of staff – technical skills are more expensive</li> <li>Change in behaviour required of staff and tenants</li> </ul>	Executive Director of Property Services	Sustainable Communities	Delivering against expectations
Business continuity	Important	Potential	Potential	Same Concerned >	Are we prepared for potential impact of disaster situations to operations?	New risk 10.10.22 (Zero based risk review) <ul style="list-style-type: none"> <li>Are we prepared for industrial action / civil unrest, power cuts, services going down, another virus outbreak?</li> <li>Are we prepared for a cyber attack</li> <li>Are we prepared for climate change – heat, fires, floods</li> <li>Impact on business, staff and tenants</li> </ul>	Chief Executive	Well Managed	Delivering Services to tenants
Failure to meet increasing and changing regulatory requirements	Important	Potential	Potential	Same Concerned >	A change and strengthening in regulatory approach is being implemented nationally, including the professionalism agenda (CIH).	New risk 10.10.22 (zero-based risk review) - amalgamated 'Reputational concerns due to new Regulatory approaches by the Housing Ombudsman and the Regulator for Social Housing' and 'Failure to meet statutory requirements in respect of property/assets including Building Safety' and 'Upcoming regulations to mandate smoke and carbon monoxide alarms in social homes'. <ul style="list-style-type: none"> <li>Statutory requirements in respect of property/assets including Building Safety, decent homes</li> <li>Reputational concerns due to new Regulatory approaches by the Housing Ombudsman and the Regulator for Social Housing - TSMs, neighbourhood agenda / investment in neighbourhoods</li> <li>We do not have the most effective software to do this.</li> <li>The Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022 come into force on 1 October 2022.</li> </ul>	Chief Executive	Well Managed	Delivering against expectations
Do we have the right data to make informed decisions (Data Quality)	Important	Actual	Potential	Same Concerned >	We do not currently have the systems in place.	New risk 10.10.22 (zero based risk review) <ul style="list-style-type: none"> <li>Inability to develop our repairs IT systems to meet modern access approaches - online reporting, tracking, self-serve – delayed to April 2023. Includes Dynamic Scheduling system.</li> <li>Not meeting customer expectations - Poor reputation and satisfaction.</li> </ul>	Executive Director of Property Services	Well Managed	Delivering Services to Tenants

Title	Response Rating	Status	Impact	Level of Concern since previous review	Assessment	Description	Issue/Concern Owner	Strategic Objective	Strategic Risk Area (RSH Sector Risk Profile)
Reduction in customer satisfaction	Important	Potential	Potential	Same Concerned >	<ul style="list-style-type: none"> <li>Cost of living</li> <li>Planned repairs and reduced budgets</li> <li>Regulatory intervention</li> </ul>	<p>New risk 10.10.22 (zero based risk review) - Incorporating 'Ability to meet statutory duties and tenant expectations as a result contact centre performance' and 'Customers unable to access repairs services online effectively'.</p> <ul style="list-style-type: none"> <li>Increasing demands from customers – they require increasing support</li> <li>Increasing regulatory demands</li> <li>Reduction in funding – more with less</li> <li>Contact Centre performance – we could miss significant issues</li> <li>Customers unable to access repairs services online effectively</li> </ul>	Chief Executive	Excellent Customer Services	Delivering Services to Tenants
That we don't take the opportunities that are out there to increase funding for services e.g. zero carbon	Important	Potential	Potential	Same Concerned >	<ul style="list-style-type: none"> <li>Zero-carbon agenda</li> </ul>	<p>New risk 10.10.22 (zero based risk review)</p> <ul style="list-style-type: none"> <li>We must keep on top of all the opportunities out there to help fund such as the zero-carbon agenda and to upskill staff</li> </ul>	Executive Director of Property Services	Sustainable Communities	Delivering against expectations
We may need to pull back our resources dedicated to partnership working as we are overstretched	Important	Actual	Actual	Same Concerned >	<ul style="list-style-type: none"> <li>We have committed to a number of joint projects and are struggling to resource them</li> </ul>	<p>New risk 10.10.22 (zero based risk review)</p> <ul style="list-style-type: none"> <li>We have stretched our resources too thin</li> </ul>	Chief Executive	Partnership Working	Delivering services to tenants
The HRA does not cover service requirements	Important	Actual	Actual	Less Concerned v	<ul style="list-style-type: none"> <li>Insufficient funds in HRA and longer-term financial plan due to economic climate putting increased pressure on budgets and reducing stock numbers reducing income base.</li> <li>There was a financial overspend on Repairs and Maintenance budgets for 21-22.</li> <li>Increasing number of tenants on Universal Credit reducing rental income</li> </ul>	<p>Risk refreshed 05.10.22 (Zero-based risk review)</p> <ul style="list-style-type: none"> <li>Rent caps, inflation, CPI, use of reserves, management fee</li> <li>Tenant financial hardship</li> <li>Insufficient resources to support vulnerable customers</li> <li>Pensions – impact on balance sheet</li> <li>Reduction in funding for repairs and investment in stock – PRIP - impact on CS profit – reputation</li> <li>Impact on Strategic plan - resources to deliver the priorities - reputation with BMBC</li> <li>Relationship with the Council is crucial</li> <li>Reliant on annual reserves to bridge the gap between management fee and resources to deliver services contract with BMBC - gap of approx £500k. Reliant on CS profits. Need the turnover guaranteed at £20m.</li> </ul>	Chief Executive	Well Managed	Costs and Inflation
Inability to meet housing need due to loss of stock and ability to influence growth of homes for social rent	Requires Attention	Actual	Potential	Same Concerned >	<ul style="list-style-type: none"> <li>We are losing stock because of RtB and demolitions and we are reliant on BMBC building new homes for social rent.</li> </ul>	<p>Refreshed risk 10.10.22 (Zero based risk review)</p> <ul style="list-style-type: none"> <li>Concerned that we continue to lose stock as a result of RtB and demolitions.</li> <li>Resulting in the inability to meet housing need, particularly taking into consideration the number of applications for properties.</li> </ul>	Executive Director of Property Services	Sustainable Communities	Existing Stock Quality
Reduced opportunities for lobbying as the ALMO sector gets smaller	Requires Attention	Potential	Potential	Same Concerned >	<ul style="list-style-type: none"> <li>The social housing sector is getting smaller</li> </ul>	<p>New risk 10.10.22 (zero based risk review)</p> <ul style="list-style-type: none"> <li>How do we maximise the wider role of the sector - how do we get the voice of the ALMO and the voice of the tenants heard?</li> </ul>	Chief Executive	Sustainable Communities	Delivering services to tenants
That we do not effectively embed a culture that acknowledges, promotes and celebrates the diverse talents and backgrounds of staff and tenants	Requires Attention	Potential	Potential	Less Concerned v	<ul style="list-style-type: none"> <li>Due to staffing resources, ED&amp;I development lost it momentum. Following HDN assessment, ED&amp;I was developed, launched and in the process of being fully embedded across the organisation. Majority of year 1 actions have been completed and year priorities are currently being considered.</li> </ul>	<p>Risk refreshed 10.10.22 (zero based risk review)</p> <ul style="list-style-type: none"> <li>We need to ensure that equality, diversity and inclusion is fully embedded and part of the DNA of Berneslai Homes.</li> <li>We need to ensure it is owned by all and that we recognise differences and take these into account to provide an effective and appropriate service to all our customers (internal and external).</li> </ul>	Executive Director of Corporate Services	Well Managed	Delivering Services to Tenants

## Appendix B

Risk Management – Deep Dive review of issues and concerns	
Description of Risk	<b><u>Vulnerability of in-house and third-party systems to cyber attack</u></b>
Identified in:	Strategic and Corporate Services registers
Responsible Director:	Executive Director of Corporate Services
Deep dive review by:	Simon Marshall (BMBC Governance and Compliance Manager)
Date of review:	9 <sup>th</sup> January 2023
Risk Analysis:	<ul style="list-style-type: none"> <li>• A vulnerability maybe exploited leading to cyber-attack of in-house and/or third-party systems impacting confidentiality, integrity or availability of data and information.</li> <li>• This could lead to, amongst others, financial loss, fines, regulator intervention, inability to deliver services, reputational.</li> <li>• As a public sector organisation, we are more at risk from the current situation with Russia and Ukraine and the increased cyber-attacks in general. No evidence of increased attacks currently.</li> </ul>
Underlying Causes:	<ul style="list-style-type: none"> <li>• Cyber-attacks are increasing in number, the organisation is becoming more agile, there is an increasing volume of data held on IT systems and the systems are becoming more complex.</li> <li>• Legislation in place which means risk management is crucial.</li> </ul>
Risk scores	<ul style="list-style-type: none"> <li>• Status: Potential</li> <li>• Impact: Potential</li> <li>• Response: <b>Critical</b></li> </ul>
Risk Management	
Changes to concern rating:	Less, same or more concerned? No recent changes - we remain the same concerned
Key Controls:	<ul style="list-style-type: none"> <li>• Cyber Security risk register</li> <li>• Vulnerability Scanning</li> <li>• External Penetration Testing</li> </ul>
Mitigation actions:	<ul style="list-style-type: none"> <li>• Cyber Security Strategy</li> <li>• ISMS in place and to be streamlined to be more user friendly – due to be launched Jan 23</li> <li>• ISCU and Information Security Policy relaunch</li> <li>• To purchase new simulated phishing software</li> <li>• BMBC Cyber review by external Consultant – Action Plan to be developed</li> </ul>

Appendix C

Heading	Risk	The Sector Risk Profile	Berneslai Homes Mitigations	Actions and responsible officer	Link to risk appetite (2020)
<b>Strategic Risks</b>	<b>Macroeconomic and financial environment</b>	<p>How are we mitigating:</p> <ul style="list-style-type: none"> <li>Increasing and prolonged inflation</li> <li>Tight labour market</li> <li>Continuing supply chain disruption</li> <li>Rising interest rates</li> <li>Uncertain incomes - rent increase cap and probable increased arrears as tenants experience cost of living pressures and real terms falls in incomes.</li> <li>Potential for further financial market turmoil or unexpected downside shocks remains substantially elevated.</li> </ul> <p>Does BH:</p> <ul style="list-style-type: none"> <li>Demonstrate provide value for money to a range of stakeholders - will need to closely monitor and constructively challenge performance to make well informed decisions regarding the effective use of the assets and resources available.</li> </ul> <p>Does Board:</p> <ul style="list-style-type: none"> <li>Continue to set a clear strategic direction?</li> <li>Deliver objectives - will need to consider these carefully to maintain viability while prioritising essential services and safety.</li> </ul>	<ol style="list-style-type: none"> <li>1) Strategic plan – takes economic environment into consideration – 2023-24 plan approved by Board on 8<sup>th</sup> December 2022.</li> <li>2) The Board receives an annual report on Value for Money and undertakes an annual self-assessment against governance standards, which ensures value for money and quality governance translates through into strategic objectives and delivery methods. The Value for Money Strategy 2020 – 2023 has been approved by our Board. The regular review of this strategy provides oversight from Board and ensures the Board monitors and challenges performance, and makes well informed decisions regarding the effective use of assets and resources available.</li> <li>3) Budget workshops – report on budgets to Board for 23/24 considering financial pressures. Financial markets and increased costs, ability of customers to pay rents and support for tenants – drive for rent first priority. Budgets aligned to proposed rent increase by BMBC</li> <li>4) Financial position report at every Audit Committee and Board meeting</li> <li>5) Quarterly and annual Performance monitoring reports to Customer Services Committee and Board. And to BMBC. This includes information on rent collected and arrears</li> <li>6) CEO horizon scanning presentation to each board meeting ensuring board remain fully up to date on the issues, threats and opportunities facing Berneslai Homes.</li> <li>7) Annual Board Away day</li> <li>8) Zero based review of risks September 2022</li> </ol>	<ol style="list-style-type: none"> <li>1) Review value for money strategy for 2023 – Finance Manager Dec 23</li> <li>2) Risk appetite refresh by EMT and Board in February 2023 – Head of Gov and Strategy/Risk and Governance Manager</li> </ol>	Strategic Financial Risk (inc VfM) – Averse
	<b>Delivering against expectations</b>	<p>How are we managing stakeholders with competing demands? (Current and future tenants, local communities, councillors and MPs, local (BMBC) and national government, lenders, contractors, other regulators, and the media):</p> <ul style="list-style-type: none"> <li>To we proactively seek to understand and respond to the diverse needs of tenants, especially vulnerable tenants.</li> <li>Rent increases – residents negatively affected, resources needed to be compliant and to provide quality services</li> <li>Inflation – decisions re salaries</li> <li>Housing Ombudsman – increased complaints re health and safety non-compliance, poor service quality and issues from outsourced service delivery, disrepair, poor complaint handling, conflicts of interest, and executive pay.</li> <li>Reputation</li> </ul> <p>Does board:</p> <ul style="list-style-type: none"> <li>Ensure they are aware of the expectations of tenants and other stakeholders as part of their strategic approach and decision making.</li> <li>Appropriately set the balance between short term and long-term stock investment and recognise that unexpected delays in regeneration programmes could lead to disrepair.</li> <li>Where difficult trade-offs are required, ensure that they have timely and effective mitigating strategies in place to manage reputational</li> </ul>	<ol style="list-style-type: none"> <li>1) Strategic plan focuses on how we will undertake our service delivery responsibilities, including Social Housing Regulation, the Building Safety Act and Zero Carbon targets. Board scrutinise the key performance indicators used to measure our success, and monitor progress against self-assessments, such as against the Consumer standards and the NHF Code of Governance. The plan is reviewed annually with consultation with key stakeholders.</li> <li>2) Underpinning the Board and Committee structure is our co-regulatory tenant involvement and engagement model, including our Tenant Voice and Scrutiny panels and our local TARA's. Ensuring our customers are fully involved in developing, shaping, and scrutinising our services.</li> <li>3) Annual self-assessment against the Housing Ombudsman's Complaint Handling Code to ensure our procedure responds to tenant issues and drives service improvements and meets the social housing regulatory standards. The process involves tenants and is reported to Customer Services Committee and Board.</li> <li>4) The Your Comments Count Annual Report provides assurance regarding the delivery of our own framework, the Housing Ombudsman's Code and the RSH regulatory framework. It highlights risks and concerns and future actions. It is reported to Customer Services Committee and Board.</li> <li>5) The annual STAR survey seeks customer views linked to the TSMs with a resulting action plan. It is reported to Customer Services Committee and Board and published on our website.</li> <li>6) Bi-monthly reviews of complaints are analysed to highlight trends and regular issues etc. and reported to Customer Services Committee. Board member allocated to be Customer Complaints Champion</li> </ol>	<ol style="list-style-type: none"> <li>1) To undertake HouseMark Accreditation for complaint handling to commence in Dec 2022 – to provide stakeholders with assurance – Head of Customer and Estate Services June 23</li> <li>2) Knowing our customers – action to do further work on this around the data we hold – 23/24 Head of Finance and Performance</li> </ol>	Customer Services and Service Delivery – Balanced

Heading	Risk	The Sector Risk Profile	Berneslai Homes Mitigations	Actions and responsible officer	Link to risk appetite (2020)
		risks, including transparent and effective communication with tenants and stakeholders.	7) Assurance audits of all stage 1 complaints are undertaken monthly, and developments are fed back to managers. 8) BH Annual Investment Strategy to Audit Committee and Board 9) Customer Insight Strategy		
	<b>Diversification</b>	Do Board understand the risks of diversifying? <ul style="list-style-type: none"> <li>• They must ensure that they have the required skills, information and advice to appropriately assess any move into a new business stream and manage this on an ongoing basis.</li> <li>• They must understand the full range of risks that diverse activity can expose them to and ensure that such activity has a clear strategic role in meeting their organisation's purpose and objectives.</li> <li>• They must understand the potential risks associated with the funding structures and finance of non-social housing activities and must have appropriate governance structures and ring-fencing arrangements in place to ensure that social housing assets are not put at risk by, for example, guarantees or impairment relating to non-social assets.</li> </ul>	1) Commercial diversification is not a significant area of risk for Berneslai Homes but best practice of identifying costs, benefits and risks of undertaking more diverse activities will always be applied to any new works under consideration. 2) Contributions to Council Housing supply through Acquisitions, Newbuild and Conversions report to Board in May 2022. The responsibility for all new direct build council house activity transferred back into the Council in June 2018 having previously been delivered by Berneslai Homes. The responsibility for the delivery of the acquisition programmes passed to the BMBC Housing Growth Team in April 2020. Berneslai Homes still has a significant role in managing and implementing any remedial work required to bring acquired properties up to a lettable standard. 3) Berneslai Homes will become holders of stock in our own right with the development of St Michaels Close, which commenced in January 2022 and is expected to complete in May 2023. These are subject to best practice procurement, utilising consultants, identifying of costs and risks as part of project planning.		Diversification – Cautious
	<b>Access to labour and skills</b>	<ul style="list-style-type: none"> <li>• We are reliant on access to skilled workers to deliver development, undertake programmes of major repairs and maintenance, comply with health and safety requirements (including building safety), and deliver key services to tenants.</li> <li>• The current tight labour market continues to exacerbate ongoing skills shortages and may threaten providers' ability to deliver these programmes and services.</li> </ul> Boards will need to: <ul style="list-style-type: none"> <li>• Understand their operating environment and how emerging and longer-term labour and skills shortages impact the delivery of organisational objectives, safety and quality.</li> <li>• Have established effective mitigation strategies to ensure essential services continue to be delivered.</li> </ul>	1) There are currently issues with the labour market and access to skills across the whole Company. Within Construction Services this risk is mitigated by using sub-contractors where we are unable to self-deliver, and we have an agency contract in place to access agency staff for any shortages. 2) Repairs Maintenance and Investment update to Board 3) Proposed budgets, including HRA, to Board 4) Employment and Skills Plan 2022-25 approved by Board in May 2022 5) A project reviewing our approach to recruitment was undertaken and an action plan is ongoing and monitored by SMT, approved by EMT. 6) Market supplements are agreed for hard to recruit roles. 7) We have a successful Apprenticeship scheme, with currently 15 apprenticeships within Construction Services and three Office Admin apprenticeships. We support and encourage all apprentices to obtain full time employment with us and we do have high retention levels. 8) We have a successful Graduate Trainee Programme in place with two trainees currently in post. The previous round of trainees (three posts) have been successful in gaining posts within Berneslai Homes. 9) The Kickstart placement scheme engaged 31 placements in various roles across the company. Out of those 31, ten were successful in securing a permanent role within Berneslai Homes (in a range of directorates). There are still Five placements in place, which conclude in March 2023. 10) Berneslai Homes are looking to support five T-Level placements as a starting point across different subject areas. A T-Level is equivalent to 3 A levels and requires a placement to be obtained, which are 1 day a week for 45 weeks totalling 315 hours.	1) Target to increase the number of apprenticeships to represent 10% of our workforce by 2030 – Head of HR and OD	Workforce (HR, Recruitment, training etc) – Open



Heading	Risk	The Sector Risk Profile	Berneslai Homes Mitigations	Actions and responsible officer	Link to risk appetite (2020)
	<b>Counterparty risk</b>	<p>Contracts with a wide range of third parties:</p> <ul style="list-style-type: none"> <li>• construction and maintenance contractors, suppliers, consultants, lenders, Auditors – due diligence, reputable orgs, are they financial sustainable, concentration risk e.g., PRIP partner.</li> </ul> <p>Boards must:</p> <ul style="list-style-type: none"> <li>• Ensure we conform to all relevant policies, standards, and law when outsourcing to third-party organisations.</li> <li>• Have assurance that concentration risk is being managed, including monitoring of counterparty robustness and consideration of protections for breaches or termination of contracts.</li> <li>• Due diligence should be undertaken to ensure any potential conflicts are identified that could breach policy, regulation, legislation or cause reputational harm</li> </ul>	<ol style="list-style-type: none"> <li>1) Berneslai Homes enters into contracts with 3rd parties that exposes BH to counterparty risk. This risk is managed through effective and robust procurement processes being in place, managing contractual risks and ensuring these contracts are managed effectively. Due diligence is undertaken to ensure any potential conflicts are identified that could breach regulation, policy, legislation or cause reputational harm.</li> <li>2) Annual Procurement update to Audit Committee.</li> </ol>		Third / Counter Party Risk - Cautious
<b>Operational risks – existing stock and service delivery</b>	<b>Existing stock quality</b>	<p>Stock deterioration, pandemic backlog, huge media interest, Grenfell, damp and mould (fix plans), financial viability, disrepair claims:</p> <ul style="list-style-type: none"> <li>• Failure to ensure homes are maintained at a decent standard or to effectively respond when issues arise can result in significant consequences for tenants, as well as having substantial implications for the trust and confidence that tenants and other stakeholders have in a provider.</li> <li>• Many disrepair cases result from the breakdown in the relationship between landlord and tenant. Poor engagement or poor case handling can result in increased disrepair and no-access cases, resulting in higher costs and delaying works.</li> <li>• Failure to invest appropriately can also lead to deterioration of stock, potentially leading to greater expense at a later date.</li> </ul> <p>BH must:</p> <ul style="list-style-type: none"> <li>• In ensuring their stock remains fit for purpose, providers should also consider the resilience of their stock to the effects of climate change, such as the implications of higher temperatures, more extreme weather events, and indoor air quality.</li> </ul> <p>Board must:</p> <ul style="list-style-type: none"> <li>• ensure that their organisation provides a repairs and maintenance service to homes and communal areas that represents value for money, and which ensures tenants’ homes meet minimum standards.</li> <li>• Ensure that stock continues to be fit for purpose over its lifetime.</li> <li>• Receive comprehensive, robust, and up-to-date stock condition data to make informed decisions. This should support understanding of the stock’s cyclical maintenance demands and new requirements on energy performance or through potential revisions to the Decent Homes Standard as well as enable identification of investment needs.</li> <li>• Consider implications from such new requirements on the economic performance of assets.</li> </ul>	<ol style="list-style-type: none"> <li>1) The Barnsley Homes Standard is a funded priority within the 30-year HRA business plan and ensuring the Home Standard is met is one of the company’s key performance indicators which is monitored by Board on an annual basis. A key part of the Asset Management strategy is to have effective planning and delivery of responsive and planned major repairs to ensure investment in the stock and ensuring properties can be re let.</li> <li>2) The current Decent Homes Standard is under review and is likely to be enhanced to include compliance and fire safety requirements. There are additional risks in terms of compliance requirements and recent government recommendation on smoke and carbon monoxide detectors will increase demands on the limited HRA budget. Work is ongoing with BMBC to consider holistically the demands and future requirements for the existing stock and the financial impact on the 30-year business plan.</li> <li>3) The Executive Management Team have fed into the HRA medium term budget setting process for 2022-25, additional resources have been highlighted for adaptation works, Health and Safety and further environmental improvements via the Community Regeneration Scheme. The PRIP contract continues to be monitored by the PRIP Core Group.</li> <li>4) The Board receive regular performance reports relating to capital and revenue costs.</li> <li>5) Our approach to damp and mould is outlined in our damp and mould policy which is of zero tolerance and a proactive approach to damp and mould issues. We encourage tenants to inform us of damp and mould in their homes and the winter 2022 campaign introduces our STAR message – Spot the Signs, Try our Tips, Act fast and Report it. We encourage reporting to the contact centre and contact centre staff have been trained on the approach to damp and condensation issues.</li> <li>6) We have just launched a new website with a dedicated section for damp, mould &amp; condensations with customer focussed content; <a href="https://www.berneslaihomes.co.uk/your-home/keeping-tenants-safe/damp-and-mould/">https://www.berneslaihomes.co.uk/your-home/keeping-tenants-safe/damp-and-mould/</a></li> <li>7) We have developed a new 5-year Sustainability Strategy and roadmap for energy decarbonisation that provides a structured approach to improving energy performance of the housing stock. Improving the environmental</li> </ol>		Asset management – Balanced

Heading	Risk	The Sector Risk Profile	Berneslai Homes Mitigations	Actions and responsible officer	Link to risk appetite (2020)
			<p>performance of the Council housing stock can lower carbon emissions, keep customers warm, reduce energy costs and alleviate fuel poverty.</p> <p>8) We initially introduced 20% stock condition surveys (SCS) and Energy Performance Certificates (EPC) per annum of the total stock over the next 5 years. It has been agreed we are now to accelerate the programme to attain a 100% position by April 2024. A more comprehensive set of component information through SCS and EPCs allows for informed decision making from a housing investment perspective, and enables forecasting of the future investment programmes based on robust validated datasets.</p>		
	<b>Delivering services to tenants</b>	<p>As well as breaching consumer standards, a failure to deliver good quality housing services or to engage effectively with tenants could lead to a breakdown in trust in the relationship we have with their tenants, as well as seriously damaging our reputation.</p> <ul style="list-style-type: none"> <li>Trust and Reputation, H&amp;S, TSMs, proactive approach to consumer standards – how are we getting assurance, data quality, listening to tenants, efficient repairs and maintenance.</li> </ul> <p>BH should:</p> <ul style="list-style-type: none"> <li>Ensure all decisions and communications with tenants demonstrate transparency and accountability.</li> <li>Board assurance that tenants are being treated with fairness and respect, and that their diverse needs are considered, should be reinforced by decision-making processes supported by robust data and effective performance management.</li> </ul> <p>Boards should be:</p> <ul style="list-style-type: none"> <li>Preparing for the introduction of proactive consumer regulation</li> <li>Ensuring that strong governance arrangements are in place to continue to manage effective delivery of services to tenants and maintain compliance with consumer standards.</li> </ul>	<ol style="list-style-type: none"> <li>Berneslai Homes retains a strong focus on consumer regulation through its performance framework and tenant engagement and scrutiny model. This is to ensure the tenant voice is strong and the Board has strategic oversight and assurance on how the company meet its regulatory responsibilities against the consumer standards.</li> <li>A Co-regulation Assurance report on how all consumer standards are met is produced annually for the Board and monitored by the Customer Services Committee and by tenants as part of the co-regulatory approach. This framework was reviewed for 2022 to ensure we are ready for the new TSMs and approved at Customer Services Committee in November 2022.</li> <li>The TSMs were collected as part of the STAR survey and RP measures collected and benchmarking undertaken</li> <li>We have a strong approach to customer engagement, including the Tenant Voice Panel, Tenant Scrutiny and the Appeals Process.</li> <li>The Tenant Voice Panel meet on a regular basis to look at performance and expand their knowledge of our systems and procedures. The Tenant Scrutiny panel undertake regular scrutiny exercises, inc a recent assessment of our compliance with HOB Code.</li> <li>Board member champion for Complaints within Customer Services Committee.</li> <li>Two TVP reps are members of the Customer Services Committee.</li> <li>Journey Mapping process being embedded across BH, with associated training - Learning from customer journey.</li> <li>The Digital Inclusion Project concluded in August 2022, with the recommendation that it be rolled out to a wider audience. The initial 12-week pilot was a success and reached out to over 60 tenants. The project was monitored via the quarterly performance reports to Board, regular project updates to EMT, and regular meetings with the Community Regeneration Fund.</li> <li>Customer Insight Strategy – with action plan</li> </ol>	<ol style="list-style-type: none"> <li>Action to increase the customer voice at Board level – Head of Governance and Strategy 23/24</li> <li>Review of information we give to residents (full transparency) – Head of Customer Services 23/24</li> </ol>	Customer Services and Service Delivery – Balanced
	<b>Health and safety</b>	<ul style="list-style-type: none"> <li>How do we keep tenants safe in their home?</li> <li>How do we keep staff safe at work?</li> <li>What are we doing about new regulation? (e.g., Building Safety Act, Fire Safety Act)</li> </ul> <p>BH should:</p> <ul style="list-style-type: none"> <li>Be prepared to report building safety tenant satisfaction measures for 2023/24.</li> </ul>	<ol style="list-style-type: none"> <li>The company must meet statutory responsibilities in all areas of compliance, gas safety, fire safety, electrical safety, asbestos, legionella, lift safety as well as employee safety.</li> <li>The internal audit programme includes audit days for landlord responsibility on compliance.</li> <li>The Building Safety Act introduces a new regulatory regime, overseen by the Health and Safety Executive (HSE), to enhance the fire and structural safety of new and existing residential buildings, and ensure residents have a stronger voice in the system. Additional resources were identified from the HRA to</li> </ol>		Health and Safety – Averse

Heading	Risk	The Sector Risk Profile	Berneslai Homes Mitigations	Actions and responsible officer	Link to risk appetite (2020)
		<ul style="list-style-type: none"> <li>Have accurate and reliable data so that board can be assured that they we are meeting all relevant legal health and safety requirements and risks are identified and managed.</li> </ul> <p>Board must ensure:</p> <ul style="list-style-type: none"> <li>They adequately understand all legislative and regulatory requirements relating to health and safety compliance, including their duties and responsibilities with regard to fire and building safety under the new regulatory regime.</li> <li>BH have comprehensive and effective building safety systems and programmes in place to provide assurance that tenants remain safe. This is particularly important when services are provided by third parties such as managing agents or contractors, as ultimate responsibility lies with the landlord.</li> <li>Gain assurance that BH hold good quality data to enable the accurate assessment and management of risks.</li> <li>Understand the costs associated with remediation works and any implications for other planned major repairs and ensure that BH communicates transparently with tenants and stakeholders.</li> </ul>	<p>meet these requirements, including additional posts recruited for Fire Door Inspections and a Building Safety Manager.</p> <ol style="list-style-type: none"> <li>The Building Safety Compliance Scorecard is reported to each Audit Committee and Board.</li> <li>We are implementing the Cloud 365 compliance software package used in the social housing sector for the six key compliance areas. We currently manually collate all compliance performance information to Board and BMBC. The implementation of the system was approved by Board in December 2021 and is on target to be in place for April 2023.</li> <li>Board receives the Annual Employee Health and Safety performance report. BMBC undertake annual audits of the management of Health and Safety within services.</li> </ol>		
	<b>Costs and inflation</b>	<p>Increasing costs for BH:</p> <ul style="list-style-type: none"> <li>Inflation</li> <li>Rent increase cap</li> <li>Labour market</li> <li>Supply costs</li> </ul> <p>Board must:</p> <ul style="list-style-type: none"> <li>Fully understand their cost base and capital requirements and have a clear prioritisation approach to ensure continued delivery of essential services and safety.</li> <li>Consider how decisions taken to mitigate risk in the short term may increase risks in the longer term.</li> <li>Ensure they understand the financial and operational impacts from any changes to strategic investment decisions due to high inflation.</li> </ul>	<ol style="list-style-type: none"> <li>Financial risks such as inflation are managed as part of the annual budget setting process and monthly budget monitoring. Cost and inflationary pressures are highlighted in the financial monitoring board reports.</li> <li>We work closely with BMBC through the PRIP contract, identifying inflationary risks, such as the current issue around material price rises, where we are raising it through the PRIP Core group for decisions to be taken on task prices within the contract, which is flagged within the financial monitoring reports to board.</li> </ol>		Strategic Financial Risk – Averse
	<b>Rent setting</b>	Set by BMBC in line with government regulation.	<ol style="list-style-type: none"> <li>Compliance with the expectations of <i>the Policy Statement for Rents in Social Housing</i> as set out in the Rent Standard lies with the Council as Landlord.</li> <li>The Government’s rent policy allowed for dwelling rents from 2020/21 to be increased by CPI inflation plus 1% for a five- year period through to 2024/25. This approach was followed by the Council in setting the rents for 2022/23. – The rent increase for 23/24 has seen the Government set a rent increase cap of 7%. BMBC will set rent increases at a maximum of 7% for 23/24.</li> </ol>		Income Risk – Averse
	<b>Rental income and arrears</b>	<p>Economic crisis will increase financial pressure on households and could result in an increase in arrears. Failure to appropriately manage rent collection and arrears can ultimately impact providers’ financial viability.</p> <p>Boards must:</p> <ul style="list-style-type: none"> <li>Continue to ensure rental income risks are appropriately managed.</li> </ul>	<ol style="list-style-type: none"> <li>Rental collection remains a key priority. The cost-of-living crisis has added further risks to all customer groups, including those in receipt of UC, HB and non-benefit customers. The Income Team are continuing to have detailed conversations with customers on their financial position and make affordable payment plans, monitor compliance with these, remain aware of financial support available and complete the relevant applications where possible, e.g., DHP, housing support grant and hardship fund. If the customer is experiencing</li> </ol>		Income Risk – Averse



Heading	Risk	The Sector Risk Profile	Berneslai Homes Mitigations	Actions and responsible officer	Link to risk appetite (2020)
		<ul style="list-style-type: none"> <li>Demonstrate that they understand the implications of increased arrears, stress testing against falls in income and establishing mitigations for this.</li> </ul>	<p>multiple debt problems or the case is of a complex nature, the Income Team are making the necessary referrals to CAB and the Tenants First team, respectively.</p> <p>2) The BMBC-commissioned ARUM Review resulted in an action plan that is driving progress, which is monitored by the Customer Services Committee and BMBC. Internal Audit undertook a review of progress in April 2022. We are currently underway with several of the headlines and on track to complete as follows:</p> <ol style="list-style-type: none"> <li>Develop new IT system – testing to be completed by March 2023</li> <li>Review of Policies and Procedures – to be completed by March 2023</li> <li>Team Restructure – to be completed by March 2023</li> <li>Case Segmentation – in line with IT system</li> <li>Performance Management – in line with IT system</li> </ol> <p>3) Our bespoke rents system assists teams to focus on priority cases. We have invested in new arrears management module on Northgate (NEC) and are currently underway with the design and testing of this as well as review of policies and procedures to feed into the system development; we have some milestone meetings provisionally booked in our diaries with the end user training scheduled for 20th April 2023.</p> <p>4) Monthly and quarterly performance reporting is ongoing.</p> <p>5) Demand for homes remains high with increasing pressure as the waiting list increases and turnover reduces.</p> <p>6) Berneslai Homes actively benchmarks its unit costs against peer organisations which continue to show the company is high performing and low cost.</p> <p>7) Right to Buy (RTB) continues to be identified as a risk to the business plan with the high level of discounts available, activity on RTB is monitored monthly with the Council at the ALMO liaison meetings.</p>		
	<p><b>Data security</b></p>	<ul style="list-style-type: none"> <li>Legal obligations – duty of care to staff and tenants</li> <li>Heightened cyber threat</li> <li>Working from home</li> <li>Increased online service delivery</li> </ul> <p>Board must:</p> <ul style="list-style-type: none"> <li>Ensure we have appropriate technical and organisational measures in place to implement the data protection principles effectively and safeguard individual rights and to manage data protection risks.</li> <li>Ensure that our IT security function is safe and secure and that security vulnerabilities are appropriately identified and mitigated.</li> <li>Ensure we have a proactive cyber incident response plan that is fully aligned with our business continuity and recovery plans, and that prioritises service restoration and communication with tenants.</li> <li>Consider the implications of collecting or processing new data and take steps to prevent personal data breaches. They must also understand the risks of processing personal data with third parties, including the need to undertake due diligence on third parties' security measures, using standardised contractual clauses where necessary, and documenting where data is located.</li> </ul>	<ol style="list-style-type: none"> <li>Effective from 27 January 2022, Audit Committee receive quarterly assurance on the safety and security of the IT function as part of the Data Protection update report.</li> <li>Cyber Security Audit was undertaken and reported in February 2022. A reasonable assurance opinion was concluded and an action plan to review and update three related policies by March 2023.</li> <li>Berneslai Homes utilise BMBC's IT network which is controlled and monitored for attack. BMBC have obtained Public Services Network (PSN) connection compliance after successfully demonstrating infrastructure is sufficiently secure to meet standard set out by the Cabinet Office.</li> <li>Berneslai Homes pay BMBC for a dedicated 'Information, Governance &amp; Security Incident Analyst'. They provide advice and support in areas including security measures, policy, and procurement of new systems. They support during security incidents and make recommendations to enhance security compliance. They ensure consideration is given to implementation of security enhancements made to BMBC network security for BH network security. They are also responsible for development and maintenance of an Information Security Management System.</li> </ol>	<ol style="list-style-type: none"> <li>Review BC and resilience plans – Head of Governance and Strategy 23/24</li> <li>Simulated security incident, using National Cyber Security Centres activities, planned for Q3; this will then become a bi-annual activity – Head of Governance and Strategy</li> </ol>	<p>ICT and Data – Averse</p>

Heading	Risk	The Sector Risk Profile	Berneslai Homes Mitigations	Actions and responsible officer	Link to risk appetite (2020)
			<p>5) Various scanning and testing is undertaken to identify vulnerabilities that may impact information security position. This includes regular security monitoring of systems held in the public part of the network.</p> <p>6) A minimum of 2 'Phishing' Campaigns are completed each year. Reports produced relating to Berneslai Homes and follow-up activity is always undertaken. Training and awareness delivered in this important area.</p> <p>7) Deep dive by Audit Committee Planned Jan 23 on Cyber security</p> <p>8) New simulated phishing software purchased to enable more targeted and more regular simulated phishing campaigns across the organisation.</p> <p>9) End user devices are secured and encrypted and logged on an asset register. Mobile devices are controlled using Mobile Device Management Software (MDM) and all laptops are purchased from BMBC so to ensure they are fully tested and secure on the network.</p> <p>10) Many systems are now cloud hosted as cloud first policy is rolled out within BMBC. Housing Management system cloud hosted and SLA in place for back-up, business continuity and disaster recovery.</p> <p>11) Attendance at sector specific and Local Authority WARPs (Warning, Advice and Reporting Point) meetings. WARP's are a community-based service where members can receive and share up-to-date advice on information security threats, incidents and solutions.</p>		
	<b>Data integrity</b>	<ul style="list-style-type: none"> <li>Accurate, up-to-date, complete, and reliable data are fundamental for boards to monitor areas such as rent setting, financial management, stock condition, tenant needs and expectations, health and safety, and meeting consumer standards.</li> <li>Accurate and timely data underpins the RSH's engagement with providers. They consider failure to manage data integrity to be indicative of a poor internal controls assurance framework. Failure to provide accurate and timely data that meet regulatory requirements will be reflected in the judgement of compliance with regulatory standards.</li> </ul> <p>Board must:</p> <ul style="list-style-type: none"> <li>Have assurance that data is appropriately managed, ensuring confidentiality, integrity, and availability. This will require adequate quality controls and robust audit trails are in place, identifying critical data and Information Asset Owners, establishing process maps, and implementing appropriate software solutions such as error detection.</li> <li>Ensure the collection of robust data to support key regulatory returns, including value for money metrics and, from April 2023, the collection and reporting of TSMs.</li> <li>Board oversight, control, and decision making is undermined by failure to maintain data integrity or by data isolated in siloed systems.</li> </ul>	<p>1) Work to provide an integrated repairs and maintenance system is underway, which will further improve data integrity.</p> <p>2) Dedicated Data Protection and Records Management officers ensure GDPR and record/ data management remains a priority. Information Asset Owners have been introduced across the business and their role is to understand what information is held, what is added and removed, how information is moved and who has access and why.</p> <p>3) A significant amount of work was undertaken by a third party to cleanse and ensure accuracy of records in the area of building safety and compliance. Checks were also completed on adherence to policy, procedure and process maps.</p> <p>4) Systems have access controls including usernames, passwords and single sign-on. Groups are used to restrict access, and these are reviewed regularly. Since moving to use Office 365, licencing is now received monthly. The licencing information is reviewed each month and acts as a check point.</p> <p>5) SAP system is fully auditable and records who changed what record and when.</p> <p>6) Validation is enabled on data fields on main systems which restricts the type of input.</p> <p>7) Internal Audit report on Housing Rents each year. Further audits planned for data security which will include reviewing data integrity arrangements along with confidentiality and availability of information.</p> <p>8) Cyber Security Risk Register regularly reviewed</p> <p>9) Annual Report to board, as part of Annual Governance Statement, covering annual performance of Information Governance</p>		ICT and Data – Averse
	<b>Supported housing</b>	N/A	Berneslai Homes do not provide supported housing.		N/A

Heading	Risk	The Sector Risk Profile	Berneslai Homes Mitigations	Actions and responsible officer	Link to risk appetite (2020)
Operational risks – development	Low-cost home ownership and market sales	N/A	Berneslai Homes has no exposure to market sales and the management of the HRA and investment decisions on council house new build supply is the responsibility of the Council.		N/A
	Construction process risks	Is this applicable as relates to construction developments and methods	<ol style="list-style-type: none"> <li>Ongoing operational meetings by relevant managers to discuss related risks.</li> <li>The PRIP Core Group and monthly PRIP Finance Meetings review the financial and performance positions, such as supply chains, increased material costs, and labour issues.</li> <li>The ongoing performance and financial position is then reported to Committees and Board quarterly.</li> </ol>		*Innovation – Open *Strategic Delivery and Partnership with BMBC – Balanced
Finance and treasury management	Existing debt	N/A	<ol style="list-style-type: none"> <li>The Company investments are managed in line with the approved Investment Strategy following advice from BMBC our treasury management advisers.</li> <li>Berneslai Homes does not borrow, this is a BMBC function in the HRA/General Fund.</li> <li>The Annual Governance Statement (AGS) provides an overall assessment of Berneslai Homes’ governance arrangements. The AGS provides evidence of assurance to Audit and Risk Committee, the Berneslai Homes’ Board, Barnsley Council, Internal Audit and External Audit, that key controls are in place to manage financial risk and that effective controls, systems and processes are in place to govern decision-making and ensure financial control.</li> <li>The key sources of assurance include the Internal Audit Annual Report, External audit, and inspection findings, including the External Audit Annual Audit Letter and the Review of the Annual Governance Statement Action Plan.</li> </ol>		Strategic Financial Risk – Averse
	New debt	N/A			Strategic Financial Risk – Averse
	Alternative funding models	N/A			Strategic Financial Risk – Averse
	Pensions	Although most providers have taken a proactive approach to managing this risk, where appropriate boards should seek independent advice from relevant professionals to understand their risk exposure.	<ol style="list-style-type: none"> <li>Berneslai Homes offers employees membership of a defined benefit pension scheme. Pension costs are accounted for in line with FRS102 with pension assets and liabilities included in the balance sheet. The level of employee contributions to the scheme is reviewed every three years following the triennial valuation of the Fund.</li> </ol>		Strategic Financial Risk – Averse
	Fraud	<p>Providers are vulnerable to many types of corporate fraud, including mandate fraud, supplier fraud, and finance function fraud. The current heightened cyber security threat climate increases the risk of providers falling victim to cyber-attacks.</p> <p>Board must:</p> <ul style="list-style-type: none"> <li>Ensure that we have robust internal control procedures in place</li> <li>Seek appropriate professional advice when fraud is identified.</li> <li>Understand their responsibilities under anti-money laundering legislation.</li> <li>Anti-fraud policies should be regularly reviewed and well communicated, with employees given regular training.</li> <li>Demonstrate a rigorous attitude to combatting fraud and create a culture where employees are motivated to help in this.</li> </ul>	<ol style="list-style-type: none"> <li>Board receives an annual report on internal controls, which includes fraud activity, including tenant and staff fraud and whistleblowing.</li> <li>The fraud issues and concerns register is included in each quarterly risk update to Audit Committee and Board</li> <li>Board approves the two-yearly review of the fraud policy documents and the Whistleblowing Policy.</li> <li>Internal Audit report quarterly on fraud activity and the BMBC Anti-Fraud section provide our competent advice and guidance.</li> <li>Board receive training related to fraud – most recently HQN delivered fraud awareness to board in January 2022, which was then rolled out to Leadership Forum in June 2022.</li> </ol>	<ol style="list-style-type: none"> <li>Fraud e-learning to be rolled out to staff during 2023 – Risk and Governance Manager</li> </ol>	Compliance - Averse

<b>Report Title</b>	<b>Value for Money Annual Report</b>	<b>Confidential</b>	No
<b>Report Author</b>	<b>Executive Director of Corporate Services</b>	<b>Report Status</b>	For Information
<b>Report To</b>	<b>Board – 23/2/2023</b>	<b>Officer Contact Details</b>	Leannearmitage1@berneslaihomes.co.uk

<b>1. Executive Summary</b>	<p>This report provides a summary of Berneslai Homes' commitment to achieving and demonstrating Value for Money for 2021/22.</p> <p>Value for Money is embedded in everything we do. Obtaining the best outcomes for our customers, within available resources, is the key to achieving value for money as set out in Berneslai Homes Value for Money Strategy 2020 to 2023.</p> <p>Our customers have a key role in ensuring we deliver Value for Money. Formed in September 2019, the 'The Tenant Voice' our model for co-regulation, continues to offer value for money.</p> <p>The Company commenced a transformation programme three years ago to look afresh at the way we deliver (service reviews), use our resources (zero based budgeting), maximise the value from our resources (through the use of technology, invest to save schemes, shift from back office to frontline) and maximise the financial resources (securing external funding including European Social Fund, Decarb funding and Kickstart).</p> <p>2021/22 was increasingly challenging due to demand and availability, linked to Brexit and Covid, and how these have impacted on the cost of services and supplies\materials. However there are a number of savings that have carried through from previous years, along with a number of additional savings:</p> <ul style="list-style-type: none"> <li>• £362K of savings were achieved for re-investment in services to customers.</li> </ul>
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	<ul style="list-style-type: none"> <li>Operational productivity was scored as 'good performance, low cost' as evidenced by the Housemark Annual Performance Summary Report.</li> <li>£297K of external funding was received to enhance services to tenants and support resources.</li> </ul> <p>Performance was slightly above that of peers and benchmarking data demonstrates that Berneslai Homes is a value for money organisation with high levels of performance and customer satisfaction being achieved at a relatively low cost.</p> <p>For 2022/23 the BMBC KPI is 10% of the management fee. A Value for Money Report for the year ending 2022/23 will be provided to Audit Committee in June 2023; and the Value for Money Strategy is due for full review during 2023.</p>
<b>2. Recommendation/s</b>	It is recommended that the report is noted

### 3. Background

3.1 Obtaining the best outcomes for our customers within available resources is the key to achieving value for money. This means:-

- Effectiveness – Doing the Right Things
  - Efficiency – Doing things in the Right Way
  - Economy – Doing things at the Right Price
- The Board has a key role in providing challenge on VFM.

### 4. Current Position/Issues for Consideration

#### 4.1 Value For Money Strategy

The Value for Money strategy approved in September 2020 for the period 2020 to 2023, sets out our commitment to achieving Value for Money and the importance of this being at the heart of everything we do and embedding across the organisation that this is everyone's responsibility.

The strategy includes the following Value for Money aims: -

- To provide cost effective services that give high levels of customer satisfaction
- To maximise resources available

Underpinning our VFM aims are the following objectives: -

- To improve VFM
- To have an effectively managed approach to VFM
- To promote ownership and awareness throughout the organisation, with customers and other partners/stakeholders
- To demonstrate VFM

## 4.2 Performance

For 2021/22 Berneslai Homes' operational productivity was scored as 'good performance, low cost' as evidenced by the Housemark Annual Performance Summary report November 2022.

The performance was slightly above that of peers and costs were lower.

Berneslai Homes achieved the following performance on the 2021/22 benchmarked indicators.

Quartile	LAs & ALMOs with greater than 10,000 dwellings (excluding London Boroughs and Scottish Social Landlords)
Upper (quartile 1)	6
Middle Upper (quartile 2)	6
Middle Lower (quartile 3)	3
Lower (quartile 4)	2

Note: EMT made a decision to change peer group from this year which now excludes London and Scottish providers as is more comparable.

The benchmarking data clearly demonstrates that Berneslai Homes is a value for money organisation with high levels of performance and customer satisfaction being achieved at a relatively low cost.

## 4.3 Efficiency Savings & Targets

For 2021/22 the Board agreed an efficiency target of £200,000 additional savings achieved total £362,000 as summarised in Appendix A.

For 2022/23 the BMBC KPI is 10% of the management fee.

A Value for Money Report for the year ending 2022/23 will be provided to Audit Committee in June 2023.

The Value for Money Strategy is due for full review during 2023.

## 4.4 External Funding

Berneslai aims to identify and maximise external funding opportunities to enhance services offered to tenants and support resources, in 2021/22 we received:

Tenants First Service – ESF Grants	£178,308
Kick Start Trainee Placements	£118,236
Glasspool Charity Trust	<u>£ 150</u>
	£296,694

BH also work in partnership with BMBC to secure external funding for the HRA to deliver energy efficiency schemes including installing Solar PV's, insulations, double glazing and Air Source Heat Pumps to social housing properties.

## Additional Income for Customers

We have secured over £900K additional income in 2021/22 for our customers including welfare benefits, Discretionary Housing Payments and grants. Customer & Estate Services staff, through their in-depth knowledge of welfare benefits and an ethos based around support and prevention have used their professional expertise to support many families.

### 4.5 New IT Repairs System

The new ways of working enabled by the replacement IT repairs system together with DRS (Dynamic Resource scheduling) will generate efficiencies following implementation in 2023. Board have received details of expected efficiencies in their update reports on the Repairs First Project.

## 5 Customer Voice/Impact

Our customers have a key role in ensuring we deliver Value for Money. Formed in September 2019, the 'The Tenant Voice' our model for co-regulation, continues to offer value for money.

- 5.1 The Tenant Voice Panel is made up of nine tenants from a diverse range of backgrounds, the panel ensure we remain compliant with the Regulator for Social Housing by assessing our performance against a range of Local Offers and Consumer Standards. If they feel that we may not be delivering they are able to pass the area of service onto the Tenant Scrutiny Panel for further investigation. Additionally, to ensure that tenants' voices are represented within our governance and performance management arrangements panel members attend our Customer Services Committee, PRIP core group and the strategic liaison meeting with BMBC.
- 5.2 The Tenant Scrutiny Panel is a pool of 10 tenants with a wide range of knowledge and interests who we pull together when they have a project to work on. We call this a "Task and Finish" approach. We may only use up to 6 members per project, which enables more than one project to be up and running at a given time.

6. Risk and Risk Appetite

6.1 Financial

Material/service price increases and availability are a current risk which are managed closely through the company operational and financial processes.

Financial Management	Costs and Inflation	Risk Averse
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6.2 Regulation and Compliance

Regulation and Compliance are a key priority for BH reflected in the VFM Strategy.

Compliance	Legal and regulatory	Risk Averse
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6.3 Operational

Our systems and services must be efficient and effective to ensure they meet the expectations of our customers. Our good performance is reflected in regular benchmarking.

Customer Services and service delivery	Innovation	Balanced Risk
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7. Strategic Alignment

Berneslai Homes is committed to providing cost effective services that give high levels of customer services whilst maximising resources available. The attainment of Value for Money is fundamental to the achievement of the Strategic Plan objectives.

8. Data Privacy

There are no data privacy issues arising directly from this report

9. Consumer Regulatory Standards

This report relates to the Value for Money Regulatory Standard in demonstrating how Berneslai Homes achieve the value for money strategic objectives.



10. Other Statutory/Regulatory Compliance

The finance team provide guidance and support to ensure the Financial Regulations of the Company and the Council are complied with.

11. Financial

For 2021/22 the Board agreed an efficiency target of £200,000 additional savings achieved total £362,000 as summarised in Appendix A.

12. Human Resources and Equality. Diversity and Inclusion

12.1 There are none arising directly from this report.

13. Sustainability Implications

13.1 There are none arising directly from this report.

14. Associated Background Papers

14.1 Value for Money Strategy 2020-2023 (Decision Time - Document Library Policies- Strategies-Procedures )  
Housemark Performance Improvement Club benchmarking report (Decision Time - Document Library – Performance Monitoring)

15. Appendices

15.1 Appendix A - Efficiency Register

16. Glossary

16.1 VFM – Value for Money  
HRA – Housing Revenue Account  
ESF – European Social Fund

**Efficiency Register**

Appendix A

	Saving	Total Gain 2005 to 2016 £	Total Gain in 2016/17 £	Total Gain in 2017/18 £	Total Gain in 2018/19 £	Total Gain in 2019/20 £	Total Gain in 2020/21 £	Total Gain in 2021/22 £	Projected Total Gain in 2022/23	TOTAL 2005/06 to 2022/23 £	Lead Officer	Additional Savings 2021/22 £	Additional Savings 2022/23 £
1 to 76 excluding 5,26,63	Pre 2016/17 Saving Areas which have completed - savings commencing prior to 2016/17 which have ended or due to the passage of time, changes to ways of working or structures can no longer be evidenced as ongoing savings	39,151,331	3,473,997	3,395,437	3,603,550	1,696,441	-	-		51,320,757		-	-
5	The loss of rent income on empty properties has been reduced by effective joined up working throughout Berneslai Homes and construction partners together with very strong performance management arrangements.	7,316,079	797,235	751,539	855,830	989,946	623,392	765,031	765,031	12,864,084		141,639	-
26	Managing Attendance	1,228,093	132,964	101,700	143,960	117,540	117,540	137,761	137,761	2,117,319	NS	20,221	-
63	Reduction in the Senior Management Team	122,880	61,440	61,440	61,440	61,440	61,440	-	-	430,080		-	-
77	Grounds Maintenance -Reduction in areas requiring maintenance	-	86,000	90,000	-	-	-	-	-	176,000		-	-
78	Reduction in staffing in Finance Team	-	-	38,457	38,457	38,457	38,457	38,457	38,457	230,742		-	-
79	Homeseecker service online transition	-	-	55,059	55,059	55,059	55,059	55,059	55,059	330,354	SB	-	-
80	Cease Open House, Rent Statements, Printed Annual Report	-	-	38,500	38,500	38,500	38,500	38,500	38,500	231,000		-	-
81	Use of on-line forms	-	15,791	20,601	52,180	52,180	52,150	55,564	55,564	304,030	SB	3,414	0
82	Community Buildings Miscellaneous savings	-	1,900	1,900	1,900	1,900	1,900	-	-	9,500	JB	-	-
83	Construction Procurement savings ( new for 2017 register)	-	76,460	79,205	63,280	6,700	8,035	-	-	233,680	LW	-	-
84	Vehicle servicing schedule	-	2,550	2,550	2,550	2,550	-	-	-	10,200		-	-
85	Construction Procurement savings ( new for 2018 register)	-	-	189,842	170,123	147,143	13,439	-	-	520,547	LW	-	-
86	Allpay further savings on shift to more cost effective payment methods	-	-	23,830	31,340	33,910	33,910	65,289	66,959	255,238	SM	31,379	1,670
87	Deletion of e-communications post	-	-	17,000	28,200	28,200	28,200	28,200	28,200	158,000	DF	-	-
88	Development of In-house enhanced rents reporting system	-	-	91,000	75,000	75,000	75,000	75,000	75,000	466,000	DF/KAS	-	-
89	Deletion of Rents Team Leader position	-	-	36,830	36,830	36,830	36,830	36,830	36,830	220,980	DF	-	-
90	Online Free Gas Safe Register Portal	-	-	-	-	2,640	2,130	3,745	3,500	12,015	AS	1,615	-
91	On line Personal Development Review process	-	-	-	-	1,110	586	1,498	1,813	5,007	MA	912	315
92	Restructure of Customer and Estate Services Directorate (see also Line 87 & 89)	-	-	-	63,970	181,710	181,710	181,710	181,710	790,810	DF	-	-
93	Closure of Mansfield Depot	-	-	-	34,980	34,980	34,980	34,976	34,976	174,892	LW	-	-
94	Construction Procurement savings (2019) now included in rows 112-114	-	-	-	22,337	74,349	89,041	-	-	185,727	LW	-	-
95	BHS Choices Events use of PIMMS	-	-	-	2,040	2,040	2,040	2,040	2,040	10,200	JD	-	-
96	Construction Procurement savings (2020) now included in rows 112-114	-	-	-	-	24,250	48,500	-	-	72,750	LW	-	-
97	Matrix new contract - receive discount on hourly rates from previous matrix contract due to buying as a consortium with other councils	-	-	100,000	100,000	118,820	118,118	-	-	436,938		-	-
98	e mail ordering of stores issues	-	-	-	-	25,540	76,610	76,610	76,610	255,370	LW	-	-
99	Operatives retain vans when on annual leave up to 10 days	-	-	-	-	50,770	76,160	76,160	76,610	279,700	LW	-	450
100	MOT Style Gas Servicing - servicing date preserved	-	-	-	-	17,500	70,000	70,000	70,000	227,500	DC	-	-
101	Move from Tenants Federation to the Tenants Voice Panel	-	-	-	-	16,825	16,825	15,127	10,000	58,777	SB	-	-

**Efficiency Register**

Appendix A

	Saving	Total Gain 2005 to 2016 £	Total Gain in 2016/17 £	Total Gain in 2017/18 £	Total Gain in 2018/19 £	Total Gain in 2019/20 £	Total Gain in 2020/21 £	Total Gain in 2021/22 £	Projected Total Gain in 2022/23	TOTAL 2005/06 to 2022/23 £	Lead Officer	Additional Savings 2021/22 £	Additional Savings 2022/23 £
102	Agency staff move from paper records to ipads	-				38,000	153,000	153,000	153,000	497,000	LW	-	-
103	Mobile Working for Housing Management	-				13,950	27,780	27,780	27,780	97,290	DA	-	-
104	Delivery of Stores Items to operatives at front line						131,619	206,718	206,718	545,055	LW	75,099	-
105	Construction no longer printing off purchase orders						800	800	800	2,400	LW	-	-
106	Delivering Toolbox Talks Online						21,115	42,230	42,230	105,575	LW	21,115	-
107	Sending Gas Servicing Letter via H Pod						780	3,120	3,120	7,020		2,340	-
109	TotalMobile Remote Assistance							20,000	-	20,000	DC	20,000	-
110	Scanning app on operative ipads						25,083	43,000	-	68,083	IB	17,917	-
111	Gateway Plaza Confidential Waste and recycling								346	346	AB	-	346
112	Construction Services - Back Office							55,861	55,861	111,722	LW	21,200	-
113	Construction Procurement - Supplies/Materials and services							62,700	62,700	125,400	LW	5,100	-
114	Construction Services Productions & Operational							22,650	22,650	45,300	LW	-	-
	<b>TOTAL</b>	<b>47,818,383</b>	<b>4,648,337</b>	<b>5,094,890</b>	<b>5,481,526</b>	<b>3,984,280</b>	<b>2,260,730</b>	<b>2,395,416</b>	<b>2,329,825</b>	<b>74,013,388</b>		<b>361,951</b>	<b>2,781</b>

<b>Report Title</b>	<b>Gender Pay Report 2022</b>	<b>Confidential</b>	No
<b>Report Author</b>	<b>Nicola Scott, Human Resources Manager</b>	<b>Report Status</b>	For Information
<b>Report To</b>	<b>Board 23/2/2023</b>	<b>Officer Contact Details</b>	<a href="mailto:nicolascott@berneslaihomes.co.uk">nicolascott@berneslaihomes.co.uk</a>

<b>1. Executive Summary</b>	<p>1.1 The purpose of this report is to inform the Board of the outcome of the statutory Gender Pay Gap analysis.</p> <p>1.2 At the snapshot date of 5<sup>th</sup> April 2022, 58% of our workforce were male and 42% female.</p> <p>1.3 Our Gender Pay Gap has reduced compared to 12 months prior with women's earnings now being lower by 2.24% (median) and 2.87% (mean).</p> <p>1.4 At Berneslai, the gender pay gap is 5.9% which means that women earn 94p for every £1 that men earn when comparing the median hourly rate. This is better than the national average which is 14.9%.</p> <p>1.5 41% of employees received bonus of which 94% were male. This is due to the majority of bonus payments being linked to Construction Services Operatives who receive a performance allowance. Despite this, there has been a reduction in the mean and median 37% and 73% respectively.</p> <p>1.6 The reduction is because of changes to our workforce profile where we have seen an increase of males and a decrease of females in lower paid roles.</p> <p>1.7 We are aware of the potential causes of the gender pay gap, particularly around the lack of women within Construction services and we will continue to address the gender imbalance by having positive action initiatives in place as detailed within this report. These have been summarised as a commitment to:</p> <ul style="list-style-type: none"> <li>• Create a better gender balance</li> <li>• Improve recruitment and selection</li> <li>• Encouraging a better Worklife Balance</li> </ul>
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<b>2. Recommendation/s</b>	<p>It is recommended that the Board:</p> <p>2.1 Note the Gender Pay Gap figures for 2022 and the actions contained within Section 12.</p>
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3. Background

- 3.1 As an employer employing over 250 people, we are required to publish details of our gender pay gap. This is a government requirement under the Equality Act 2010 (Gender Pay Information) Regulations 2017.
- 3.2 The gender pay gap shows the difference between the average (mean or median) earnings of men and women. This is expressed as a percentage of men's earnings, e.g. women earn 15% less than men.
- 3.3 The gender pay gap is not about equal pay for men and women doing the same job and we are confident that the systems we have in place ensure that men and women doing the same job receive equal pay.
- 3.4 When calculating the difference in average earnings, the gender pay gap takes into account all jobs, at all levels and all salaries within the company. The roles that women fill can result from many different factors such as historic trends of one gender dominating certain positions.
- 3.5 For gender pay we are required to report on the following:
- Mean gender pay gap
  - Median gender pay gap
  - Mean bonus gender pay gap
  - Median bonus gender pay gap
  - Proportion of males receiving a bonus payment
  - Proportion of females receiving a bonus payment
  - Proportion of males and females in each quartile pay band
- 3.6 We are required to publish the above information on the Government website on an annual basis. This year's deadline is 4th April 2023.
- 3.7 The gender pay calculations are based on figures drawn from a specific date each year. 5th April 2022 is the snapshot date for Berneslai Homes who, for the purposes of gender pay reporting, are classed as a private sector organisation due to being a separate legal entity from the local authority.
- 3.8 It is important that we review the causes of our gender pay gap and address with relevant changes to policy. Without reviewing this, we risk our gender pay gap increasing further and becoming less attractive as an employer to potential employees.
- 3.9 According to research conducted by the Government Equalities Office (GEO), 92% of 1,000 people surveyed would review a company's gender pay gap if deciding between two employers.

#### 4. Current Position

- 4.1 The required gender pay calculations for Berneslai Homes have been undertaken for 2022.
- 4.2 The median shows a pay gap of 5.9% with males receiving £14.28 and females £13.43 per hour. This has decreased from a figure of 8.1% in 2021.
- 4.3 When looking at the mean, the percentage difference in the hourly rate of pay is 4.2%, with males receiving an average of £15.25 and females £14.61. This has decreased from a figure of 7% in 2021.
- 4.4 As in previous years, the analysis has identified gender occupational segregation in the following areas:
- Predominantly male construction craft workforce
  - Predominantly female admin workforce
  - Predominantly female scheme managers.
- 4.6 Gender pay also looks at bonus payments over a 12-month period. 223 employees received a bonus payment with 94% of these being male. The reason for this is that most bonus payments are due to Construction Services Craft Operatives receiving a performance allowance. The majority of which are male.
- 4.7 The median bonus pay gap is 73%. The reason for the large pay gap is that the bonus payments received by women, not in a trade role, only relate to minor awards, i.e., attendance and does not relate to incentives and extra duty payments.
- 4.8 Data collected has also been broken down into four quartiles:
- Upper Quartile
  - Upper Middle Quartile
  - Lower Middle Quartile
  - Lower Quartile
- 4.9 The gender pay gap within the above quartiles is as follows:

	Male		Female	
	2021	2022	2021	2022
<b>Upper</b>	59%	58%	41%	42%
<b>Upper Middle</b>	61%	68%	39%	32%
<b>Lower Middle</b>	81%	76%	19%	24%
<b>Lower</b>	22%	30%	78%	70%

- 4.10 Overall, the 2022 figures show that there has been:
- An increase of females in the upper quartile
  - An increase of males in the upper middle quartile
  - An increase of females in the lower middle quartile
  - An increase of males in the lower quartile

The above follows a similar trend to changes between 2020 and 2021.

- 4.11 The decrease of females in the lower quartile, alongside the slight increase of females in the upper quartile has resulted in the reduction of our Gender Pay Gap.
- 4.12 We have undertaken a benchmarking exercise with other ALMOs/Housing Associations. The data below is from each organisation's 2021 Gender Pay Report, as their 2022 data has not yet been included on the Government's website.

Organisation	Size Category	Mean	Median
<b>Berneslai Homes</b>	250 – 499	4.2%	5.9%
<b>Yorkshire Housing</b>	500 – 999	1.6%	0%
<b>Kirklees Neighbourhood Housing</b>	500 – 999	7.1%	5.3%
<b>Northwards Housing</b>	250 – 499	7.5%	8.5%
<b>Nottingham Community Housing Association</b>	1000 - 4999	12.9%	19.5%
<b>Sanctuary Housing Association</b>	1000 – 4999	19.1%	17%
<b>St Leger Homes</b>	500 – 999	5.1%	5.2%
<b>Wakefield District Housing</b>	1000 - 4999	11.6%	14.6%

- 4.13 Although it is not a direct comparison due to the varied composition of each organisation, it is evident from this assessment that our gender pay gap is comparative to other ALMOs and Housing Associations of a similar size and we perform better than some larger organisations.

## 5. Customer Voice/Impact

- 5.1 Customer views have not been sought for this report due to this being related to employees of Berneslai Homes.

## 6. Risk and Risk Appetite

- 6.1 Financial - Being aware of the reasons for the gender pay gap and putting in place an action plan to address the pay gap, reduces the risk of successful equal pay claims being made against the company.

- 6.2 Regulation and compliance – It is a legal requirement that we publish the gender pay figures. Failing to do so within one year of the snapshot date would be considered unlawful. The Equality and Human Rights Commission have the power to enforce any failure to comply with the regulations.
- 6.3 Operations – Having transparent processes in place to inform employees of the gender pay gap and the reasons for it and ensuring that these are communicated in a way that is understood by all, will reduce the risk of a demotivated workforce.
- 6.4 Reputational – The company would run a reputational risk if we failed to publish the information. Suspicion would be increased as to why we had failed to publish our gender pay gap which could have a negative impact
- 6.5 Change – Failing to make changes to address the gender pay gap could have adverse effects in terms of recruiting and retaining employees, the company's reputation, the motivation and engagement of staff.

## 7. Strategic Alignment

- 7.1 As this is a statutory requirement, BMBC are also required to publish their Gender Pay Gap. We will share our results with BMBC.
- 7.2 This report links to the Employment and Training Strategic Ambition, in terms of ensuring that we demonstrate a commitment to improving our Gender Pay Gap and addressing any imbalances, to ensure that we continue to attract, recruit and retain employees.

## 8. Data Privacy

- 8.1 There are no data protection implications arising directly from this report.

## 9. Financial

- 9.1 There are no financial implications arising directly from this report.

## 10. Human Resources and Equality, Diversity and Inclusion

- 10.1 We are committed to achieving equality of opportunity in employment. All our employees are recruited on their ability to do the work required, regardless of age, gender, gender identity, race, colour, national or ethnic origin, disability, sexual orientation, religion or belief, marital or family status, socio economic status, or any other reason which might cause a person to be treated unfairly.
- 10.2 Continuing to undertake a detailed analysis of gender pay will enable the company to identify and further address any areas of concern.
- 10.3 The company will ensure that an effective communications plan is implemented, and employees are fully aware of why the exercise has been undertaken, the headline results and proposed actions.



11. Sustainability Implications

11.1 There are no sustainability implications arising from this report.

12. Proposal

12.1 Detailed below are our proposed commitments to improve our Gender Pay Gap which have been categorised into three key areas. Full details of the commitments and actions within each category can be found within the Action Plan at Appendix 1.

**Creating a Better Gender Balance**

*A commitment to analyse and address gender imbalance within sectors of the organisation through promotion of our diversity schemes, increased involvement within schools and communities and encouraging job shadowing in the construction environment.*

**Improving Recruitment and Selection**

*A commitment to ensure our recruitment processes are fair and transparent, including preventing unconscious bias through training and ensuring recruitment advertisements openly welcome diverse applicants through promotion of our key values and benefits.*

**Encouraging a Better Worklife Balance**

*A commitment to developing a flexible, agile working culture where work-life balance is celebrated as a key benefit of working with us. We will continually encourage flexible working across the organisation regardless of job role or seniority and ensuring managers and staff are trained effectively on new ways of working.*

13. Appendices

13.1. Appendix 1 – Gender Pay Action Plan

14. Associated Background Papers

14.1 Gender Pay 2022 Infographic

**BERNESLAI HOMES POLICIES & PLANS**

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**berneslai**  
homes

**Gender Pay Gap  
Report & Action  
Plan**

**March 2023**

## **Our Gender Pay Gap**

At Berneslai Homes we are committed to the fair treatment and reward of all staff irrespective of gender. In order to ensure that we continue to be an Employer of Choice, it is important that we continue to address our Gender Pay Gap. According to research conducted by the Government Equalities Office (GEO), 92% of 1,000 people surveyed would review a company's gender pay gap if deciding between two employers.

We are aware of the potential causes of Berneslai Homes' Gender Pay Gap, particularly around the lack of women in Construction Services' craft operative roles. We acknowledge that we are under-represented by women within Construction Services, and we will continue to address the gender imbalance by having positive action initiatives in place.

As a company, we have policies and procedures in place across the organisation to ensure fair and equal treatment of all our employees or prospective job applicants. We are committed to best practice around reducing our Gender Pay Gap – this report will outline our current position, actions undertaken over the past year and what we hope to achieve moving forward.

We acknowledge that reducing the gender pay gap is not a quick fix and over the coming years we will continue to champion new approaches and initiatives to demonstrate our commitment to reducing our gender pay gap ever further.

Our approach to inclusion, fairness and flexibility demonstrates our commitment to our employees and enables us to achieve our core values.

### **Declaration:**

I confirm that our data has been calculated according to the requirements of the Equality act 2010 (Gender Pay Gap Information) Regulations 2017.

Kulvinder Sihota  
Interim Executive Director of Corporate Services

## Gender Pay Gap Reporting – An Overview

As an employer employing over 250 people, we are required to publish details of our gender pay gap. This is a Government requirement under the Equality Act 2010 (Gender Pay Information) Regulations 2017.

The Gender Pay Gap shows the difference between the average (mean or median) earnings of men and women. This is expressed as a percentage of men's earnings, e.g. women earn 15% less than men.

The gender pay gap is not about equal pay for men and women doing the same job and we are confident that the systems we have in place ensure that men and women doing the same job receive equal pay.

When calculating the difference in average earnings, the gender pay gap takes into account all jobs, at all levels and all salaries within the company.

We are required to report on the following six measures:

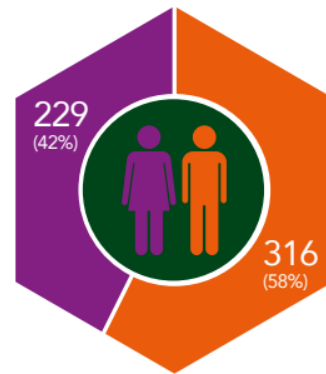
- **Mean gender pay gap** – the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- **Median gender pay gap** – the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- **Mean bonus gap** – the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
- **Median bonus gap** – the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
- **Bonus proportions** – the proportions of male and female relevant employees who were paid bonus pay during the relevant period
- **Quartile pay bands** – the proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands.

The gender pay calculations are based on a snapshot date each year, this being 5<sup>th</sup> April.

It is important that we review and understand the causes of our gender pay gap otherwise we risk our gender pay gap increasing and becoming less attractive as an employer.

## Our Gender Pay Gap Figures

As of the snapshot date of 5<sup>th</sup> April 2022, **58%** of our workforce were male and **42%** female.



Women's earnings are lower by:	2019	2020	2021	2022	+/- percentage point change 2021-22
Median gender pay in hourly pay	11.72%	8.14%	8.14%	5.9%	-2.24%
Mean gender pay in hourly pay	7.58%	7.77%	7.07%	4.2%	-2.87%

### Median Gender Pay Gap



Median is the middle hourly rate of pay so the middle rate of pay for a female when ranked is then compared with the middle rate of pay for a male. Our figures show that a woman in the middle of the female pay range receives 5.9% less than the man in the middle of the male pay range. This means that women earn 94p for every £1 that men earn when comparing the median hourly rate. Comparing this with last year, we have seen the median gender pay gap reduce which was 8.1%.

Calculating the median demonstrates the 'halfway point' between the low and high end of both male and female salaries. Although there is still a gap between what constitutes the 'middle' salary for male and females, there has been an improvement year on year.

## Mean Gender Pay Gap

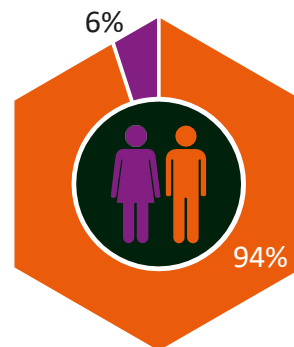


Mean is the average hourly rate of pay so if we add together all the hourly pay rates that women earn, divide by the number of women in our workforce and then compare that with the same calculation for men we find that women receive 4.2% an hour less than men. This has decreased from last year by 2.9 percentage points which was 7.1%.

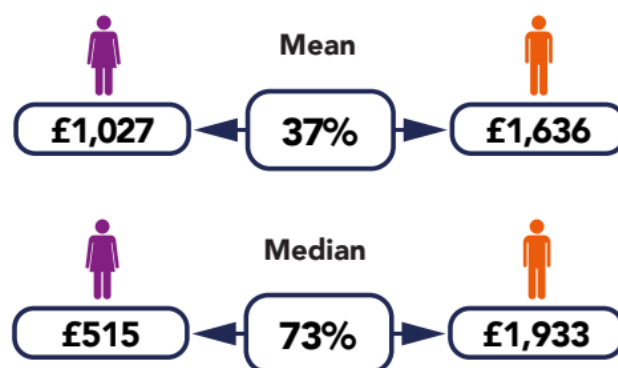
## Bonus Pay Gap

This is the percentage of employees who received bonus pay.

41% of employees received bonus pay, of which:



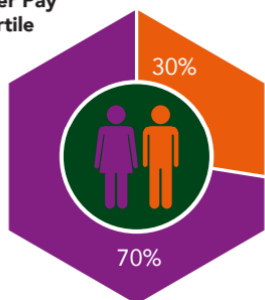
Bonus pay includes extra duty payments, attendance awards, loyal service awards, mentor and apprentice awards. Most employees in receipt of bonus payments were males. This is because the majority of bonus payments are linked to Construction Services Operatives receiving a performance allowance – the majority of which are male.



## Our Pay Quartiles

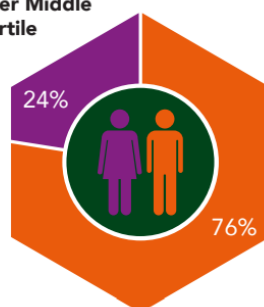
A pay quartile represents 25% of the workforce, ranked by pay. The pay quartiles are then broken down by gender.

Lower Pay Quartile



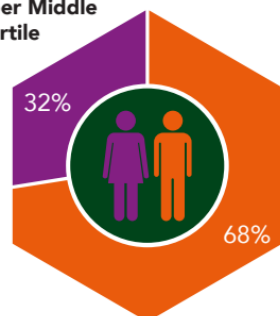
Within the lower quartile, there are **96** females and **41** males. 52 of the females work part-time, whereas only 14 of the males do.

Lower Middle Quartile



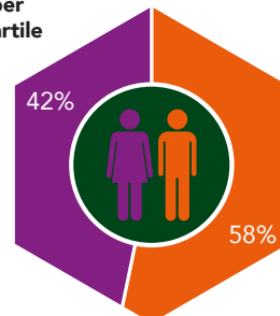
Within the lower middle quartile, there are **104** males and **32** females. 5 males work part-time, whereas 7 females do.

Upper Middle Quartile



Within the upper middle quartile, there are **92** males and **44** females. 2 males work part-time, whereas 14 females do.

Upper Quartile



Within the upper quartile, there are **79** males and **57** females. 6 females work part time but there are no male part-time employees.

## Benchmarking

We have undertaken a benchmarking exercise with other ALMOs/Housing Associations. The data below is from each organisation's 2021 Gender Pay Report, as their 2022 data has not yet been included on the Government's website.

Organisation	Size Category	Mean	Median
<b>Berneslai Homes</b>	250 – 499	4.2%	5.9%
<b>Yorkshire Housing</b>	500 – 999	1.6%	0%
<b>Kirklees Neighbourhood Housing</b>	500 – 999	7.1%	5.3%
<b>Northwards Housing</b>	250 – 499	7.5%	8.5%
<b>Nottingham Community Housing Association</b>	1000 - 4999	12.9%	19.5%
<b>Sanctuary Housing Association</b>	1000 – 4999	19.1%	17%

<b>St Leger Homes</b>	500 – 999	5.1%	5.2%
<b>Wakefield District Housing</b>	1000 - 4999	11.6%	14.6%

Although it is not a direct comparison due to the varied composition of each organisation, it is evident from this assessment that our gender pay gap is relatively similar to other ALMOs and Housing Associations of a similar size and we perform better than some larger organisations.

## **Taking Action – What have we done since 2017 and what are we hoping to achieve within the next 12 months?**

Since Gender Pay Gap reporting was introduced in 2017 we have made a number of changes to reducing the gender pay gap. These can be broken down into three main action areas: **creating a better gender balance, improving recruitment and selection, and encouraging flexible working.**

Below, we report on progress against these actions and what we would like to achieve over the following three years.

In addition to the actions below, we will also address any recommendations that have been made the Housing Diversity Network (HDN) assessment that are based around gender equality.

We acknowledge that reducing the gender pay gap is not a quick fix and over the next few years we will continue to champion new approaches and initiatives to demonstrate our commitment to reducing our gender pay gap even further.



## Creating Better Gender Balance

### We are committed to:

Addressing the gender imbalance in the following areas:

- Construction Services – predominantly male construction craft workforce
- Administration and Scheme Managers – predominantly female workforce

### What we have done?

- ✓ We hosted a successful 'Girl Power' media campaign which included radio media. This achieved the aim of encouraging women to apply for trade apprenticeships within Construction Services.
- ✓ We have attended Ambition Barnsley and Careers Cafes where Trade employees have attended to offer advice and interactive demonstrations. Feedback from such events has been extremely positive and has led to individual placements being organised.
- ✓ We have signed up to support Harry's Pledge which is a national campaign designed to support, recognise and champion carers. An internal summit group has been launched to work with tenants on specific actions around four key areas: people, training, homes that we build and work spaces.

### What are we working on now?

- ✓ During 2023, we will continue to promote 'Power in Diversity' with the aim being to attract a more diverse and inclusive workforce by all the protected characteristics. We will liaise with and involve partners in this campaign such as Barnsley College, BMBC, Waites. The key objective being to increase the number of women in the construction industry.
- ✓ We will continue to offer work experience and placement opportunities to students throughout the organisation and will encourage trade placements

wherever possible in particular targeting female students to the construction placements.

- ✓ We will continue to regularly carry out school engagement at career cafes and we support Ambition Barnsley to promote our job opportunities. Our Operatives get involved, attend the events and offer interactive demonstrations. In particular, our women employed within trades and apprentices are on hand to talk to students about their employment experiences within the construction industry.
- ✓ We have joined Womens' Trade Network (a consortium of organisations working to promote gender equality in trade roles through access to training and employment opportunities) and Pledged to facilitate entry into the industry for women, providing jobs and ongoing support to those who otherwise would not consider it as an option.
- ✓ We take part in regular events through Talent United (Barnsley College's employer engagement initiative), which aims to bridge the gap between education and employment. We will continue to target women in construction through these events.
- ✓ We've launched guidance and support for females and males across the company who are affected by the menopause. Research has found that females may leave a company due to losing their confidence and feeling unable to cope with the demands of the job. Within Berneslai Homes, we currently have 104 females within the age profile 45-60. (Wellbeing of Women survey conducted in 2016 found that a quarter of women going through the menopause had considered leaving their jobs altogether due to the menopause).
- ✓ Provide Industry Placements for students doing T- Level qualifications. Each student needs to complete a 45-day placement as part of the qualification. Continue to encourage women into the construction/office environment.

### **What we will be working on?**

- ✓ Continue to promote job shadowing to existing staff and encourage females into the construction environment.
- ✓ Work with Barnsley College on the repurposing of derelict buildings purchased by BMBC. This project is for apprentices and placements to conduct the work to ensure they learn the relevant skills needed.

## Recruitment and Selection Processes

### We are committed to:

- Ensuring that recruitment and selection is inclusive for all.
- Encouraging applications from a diverse group
- Ensuring any barriers are removed
- Ensuring all recruiting managers have information and training around recruitment and selection processes.

### What we have done?

- ✓ We ensure that our job advertisements are not gender biased and openly state if the role is open to flexibility.
- ✓ We ensure that our interview panels are diverse in order to counteract any unconscious bias.
- ✓ We have increased the use of skill-based interviews and assessments rather than traditional interviews.
- ✓ Promoted the company's benefits more effectively when advertising vacancies
- ✓ Encouraged managers to utilise e-recruitment for development opportunities including job shadowing and secondments to ensure a fair and transparent process.
- ✓ Reviewed and updated the contents of the Recruitment and Selection Training course for recruiting managers to prevent any bias during the selection stage.

### What are we working on now?

- ✓ We will continue to work with our external recruitment advertising provider to ensure that our adverts are free from bias and promote flexible working.
- ✓ We will focus on the key benefits for each job role so that those benefits are promoted when advertising the position. (I.e. the benefits for one role may be different to that for another).

- ✓ We will continue to develop our website to include testimonials from a variety of areas of the organisation and to promote our flexible/agile working culture.

### **What we will be working on?**

- ✓ Developing an external recruitment marketing site, in conjunction with the introduction of Success Factors, to include benefits of working for Berneslai Homes as well as promoting our agile working culture.
- ✓ Hosting a recruitment event to promote all vacancies and ensuring that this information is shared across Equality and Diversity Networks.
- ✓ Leadership development session to arranged on Inclusive Recruitment to be delivered by our EDI Assessor.

## **Encouraging a Better Worklife Balance**

### **We are committed to:**

- Ensuring our employees are able to balance both their work and home demands.

### **What we have done?**

- ✓ Reviewed training and development opportunities for part-time employees in comparison to full-time
- ✓ Promoted Flexible Working Day where the benefits of flexible working were promoted, and success stories shared.
- ✓ Reviewed flexi-scheme to ensure greater flexibility to assist employees with caring responsibilities (Smart Working).
- ✓ Developed agile working guidance for employees.

### **What are we working on now?**

- ✓ We will continue to further develop our agile working culture.
- ✓ Developing a training package to assist staff with agile working.

### **What we will be working on?**

- ✓ Working with Construction Services to identify how better flexible working can be achieved across trade roles.



**Minutes of Berneslai Homes Board held 8<sup>th</sup> December, 2022**  
**Face to Face in Gateway Plaza**

**Present:**

- Sinead Butters - Chair
- Adam Hutchinson - Board Member
- Liana Khachatryan - Board Member
- Jo Sugden - Board Member
- Councillor Sarah Tattersall - Board Member
- Mark Johnson - Board Member
- Richard Fryer - Board Member
- Mahara Haque - Co-optee of Customer Services Committee (Board observer)
- Councillor Kevin Osborne - Board Member
- Eric Smith - Board Member

**In attendance**

- Amanda Garrard - Chief Executive
- Dave Fullen - Executive Director, Customer & Estate Services
- Kulvinder Sihota - Interim Executive Director, Corporate Services
- Lee Winterbottom - Construction Services Managing Director
- Kathy McArdle - Service Director Regeneration & Culture (BMBC)
- Sam Roebuck - Head of Governance and Strategy and Company Secretary
- Dan Crossley - Head of Repairs, Maintenance and Building Safety

The Chair welcomed everyone to the meeting and introductions followed.

	ACTION
<p><b><u>Item 1 – Apologies</u></b></p> <p>Arturo Gulla, Executive Director, Property Services</p>	
<p><b><u>Item 2 – Declarations of Interest</u></b></p> <p>None were declared.</p>	
<p><b><u>Item 3 – CEO Presentation</u></b></p> <p>AGa presented the update. Reference was made to the Autumn Statement bringing Board’s attention to the rent cap setting - up to 7%.</p>	

<p>BH are submitting a report to Cabinet, at the moment for Barnsley it looks like the figure will be 6.75% overall, subject to Cabinet approval. It is pleasing to see benefits have been uplifted.</p> <p>Positive to report is that more funding has been made available for energy efficiency measures which BH will endeavour to access.</p> <p>Board were asked to note the excellent work taking place by teams to support tenants. Reference was made to the More Money in Your Pocket campaign, and the hardship fund etc. Board were also assured that processes are in place for identifying any vulnerable tenants.</p> <p>The priorities to March 2023 were summarised.</p> <p>AGa referred to the past few challenging months, acknowledging that the whole sector is experiencing the same challenging times. However, BH continue to help deliver services that are needed and are as good as they can be, giving residents the opportunity to keep warm and safe. Excellent work also continues in the communities.</p> <p>With regard to the warm hubs, Board were informed that these will have little impact on electricity bills, as the centres would be open in any event, therefore negligible budgetary impact.</p> <p><b>Resolved</b></p> <p><b>Board received the update</b></p>	
<p><b><u>Item 4 – Quarterly Risk Update</u></b></p> <p>SR presented the report and highlighted the key areas.</p> <p>The main focus is on strategic issues and concerns and also operational and fraud issues.</p> <p>Since the zero-based review was carried out, where 17 risks were identified, damp and mould has now been included. The risks from last year that have now been removed are included in the report. Audit Committee have reviewed the new risks and are being updated between meetings of any high-risk areas.</p> <p>The Chair of Audit and Risk confirmed that the Committee were satisfied with the process.</p> <p>KMCa advised she was not able to access the document on SharePoint. Permission will be arranged.</p> <p>Following discussion on bullet point at 3.1 of the report which mentions. ‘the cost of living crisis is negatively affecting tenant behaviours’, it was felt this could be misinterpreted. It was therefore agreed the wording be changed.</p>	<p>SR</p> <p>SR</p>

<p>One of the recommendations asks if any Board members would like to attend a risk register system demo session. AR confirmed. If any other Board members are interested, they were requested to inform SR.</p> <p>Board were pleased with the report and agreed with the proposed deep dive being undertaken on cyber security. Headlines from this session will be shared with Board.</p> <p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>i) <b>Board reviewed and commented on the quarterly risk update.</b></li> <li>ii) <b>Board reviewed and commented on the results of the zero-based risk review</b></li> <li>iii) <b>Board members were asked whether they would like to attend a risk register system demo</b></li> </ul>	<p>All</p> <p>SR</p>
<p><b><u>Item 5 – Strategic Plan and Annual Business Plan</u></b></p>	
<p>SR presented the report. She explained that this is the final part in the process and that it is currently going through the approval process with the Council. Board noted the light touch review of the Strategic Plan. The Business Action Plan was developed from the Board Away Day, consultation with tenants, staff and BMBC.</p> <p>Board was asked to note that the KPIs will change to align with the social housing regulator. A new set of KPI's will be included in the Annual Business Plan, and these will be agreed between BMBC and BH.</p> <p>TSM's were raised in relation to Board having sight of. DF advised that the Customer Services Committee had discussed these in detail. Those around perception are included in the quarterly performance report, giving a good base position. Some LA's have not been undertaking satisfaction surveys, but BH have done so every year, and are in a good position. Customer Services Committee will be looking at new measures not recorded before i.e., ASB cases per 1000 properties - this needs to tie in with the Council to ensure measures are recorded correctly i.e., not double counted. BH have some good information on other TSM's and these are tracked through HouseMark. Pulse information will also be updated which will also show monthly tracking through HouseMark.</p>	
<p>Board felt it would be beneficial to see at a glance KPI's linked to the Business Action Plan and comparison between the Tenant Satisfaction Measures. Board were advised that a review of the performance information is ongoing and this would be picked up as part of that review.</p>	<p>SR</p>
<p>KMcA added that the Business Action Plan and Strategy are being progressed. She stated it was important to make sure the draft KPI's are submitted to Board before final agreement. I</p>	<p>SR</p>



<p><b>Resolved: -</b></p> <ul style="list-style-type: none"> <li>• <b>Board approved the light touch review of the 10-year Strategic Plan;</b></li> <li>• <b>Board approved the draft Annual Business Action Plan for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 and delegate any minor amendments to the Plan and Annual Business Action Plan to the Chief Executive as the plans go through the approval process with BMBC;</b></li> <li>• <b>Board noted the performance report due to Board in May 23 will include performance against the actions agreed as part of last year’s Annual Business Action Plan.</b></li> </ul>	
<p><b><u>Item 6 – Q2 Performance Report</u></b></p> <p>DF presented the report which has also been discussed in detail at the Customer Services Committee.</p> <ul style="list-style-type: none"> <li>• Complaints response time – not hitting targets. There has been an increase in complaints, although compared to the national average the rate is low. Board noted that an additional resource has been put in place in the Property Services Division to deal specifically with complaints. Customer Services Committee will also be undertaking a deep dive into complaints. DF to arrange a separate conversation with AR.</li> <li>• Contact Centre Performance – This has also slipped, and no improvements have been seen since the end of Q2. There has been significant staff turnover at the Contact Centre since April and training issues. This is being dealt with. Board noted that 29% of calls are chase up calls in relation to repairs. The Repairs IT system and further investment in the backlog will address the root causes.</li> <li>• The report highlights average void turnaround is slipping. BH are not concerned as the issue relates to the bigger routine voids and the delays in relation to budget management. Normal voids are going through satisfactorily and void rent loss is much lower than target. There are no adverse effects on the HRA.</li> <li>• Cost of living impact – people are genuinely struggling with rent, fuel, food etc. DF advised that queries raised by Board have been responded to in Decision Time. Berneslai Homes’ main concern is the rent collection rate. A new module has been implemented within NEC to improve work in this area. Also, when the Call Centre technology is in place, there will be a switch for tenants to speak to BH Income Officers at their first point of call.</li> </ul> <p>The Chair of Customer Services Committee advised Board of the time they had spent discussing the red rag ratings at the meeting and that, these will be tracked and monitored. However, mitigating factors were identified.</p>	<p>DF/AR</p>

Board referred to staff absence and questioned if BH had any concerns. KS advised that this is monitored closely, and trends are looked at. Board noted that in some cases it is not intermittent sickness, there are a number of staff with serious illnesses, going through treatment etc. The figures are in line with the rest of the sector. Board were assured of the robust monitoring processes in place.

Repairs void numbers were also discussed. Board were assured that teams are working hard and restructuring has taken place, which should result in improvements. Information received from the PRIP Core groups on KPI's is positive in relation to CS and Wates. Discussion took place on the transactional surveys undertaken on repairs. These are more flexible, allowing the focus to change to areas of concern if required, bespoke tracking can also be undertaken.

**Resolved:**

- **Board considered and commented on the performance of the organisation during the first quarter of the financial year.**
- **In so doing, they were satisfied that where performance targets have not been achieved that the issues causing this are clear and that there are adequate controls and actions in place to address the reasons for this.**
- **Board were satisfied with the areas identified by Customer Services Committee for further detailed consideration.**