



**Minutes of Berneslai Homes Board 29<sup>th</sup> September 2022**  
**Held face to face Gateway Plaza**

**Present:**

- Sinead Butters - Chair
- Gary Ellis - 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 - Observer at Board meeting appointed as Board member at AGM
- Eric Smith - Observer at Board meeting appointed as Board member at AGM
- Adam Hutchinson - Observer at Board meeting – appointed as Board member at AGM

**In attendance**

- Amanda Garrard - Chief Executive
- Dave Fullen - Executive Director, Customer & Estate Services
- Kulvinder Sihota - Interim Executive Director, Corporate Services
- Arturo Gulla - Executive Director, Property Services
- Norma Wright - Lead Financial Advisor (for Item No. 6)
- Kathy McArdle - Service Director Regeneration & Culture (BMBC)
- Sarah Cartwright - Head of Strategic Housing, Sustainability and Climate Change (BMBC) – Public agenda only

The Chair welcomed everyone to the meeting and introductions followed.

	ACTION
<b><u>Item 1 – Apologies</u></b>	
Adriana Rustemi – Board Member	
Lee Winterbottom – Managing Director, Construction Services	
Sam Roebuck – Head of Governance and Strategy	

<p><b><u>Item 2 – Declarations of Interest</u></b></p> <p>Eric Smith declared an interest in Item 6 – BH Report and Accounts – he has connections with BDO.</p>	
<p><b><u>Item 3 – CEO Presentation</u></b></p> <p>AGa presented the information, highlighting the key areas.</p> <p>Reference was made to the new Prime Minister, the fiscal statement and concern in relation to the Energy Cap.</p> <p>The main areas of focus for Berneslai Homes will be planning around the cost-of-living crisis, rent cap consultation (potential for Barnsley to put forward a different proposal), Business Plan modelling with BMBC and the implications, one of which will be on the zero-carbon agenda, which looks much harder to deliver now.</p> <p>In relation the cost-of-living support, DF summarised the work that has been taking place with the Council and independently for both staff and for tenants.</p> <p>Berneslai Homes are working with the Council on the budget and discussions have taking place on rent cap scenarios/options (on 5%/7%). A 5% increase would result in a deficit of £1.4M. A 7% increase would cover inflationary costs. Inflationary assumption for CS is 10% and for the Management Fee 5%.</p> <p>In addition to central government, lobbying is also required locally, and a briefing paper is being prepared.</p> <p>An update was provided on the Woodlands Drive Fire. The site has been cleared and levelled. A report is awaited on 2 properties, then a decision will be made. Information from Pennington’s is also awaited on fire prevention/spread.</p> <p><b>Resolved:</b></p> <p><b>Board noted the update.</b></p>	
<ul style="list-style-type: none"> <li>• <b><u>Item 4 – Governance Update</u></b></li> <li>• AGa provided an update since the last meeting which includes a light touch assessment against the NHF Code of Governance – this is available to view in Decision Time Resources.</li> <li>• Following the retirement of Caroline Makinson, Councillor Kevin Osborn has been appointed.</li> <li>• Board noted that ES is the Board Champion, responsible for complaints.</li> </ul>	

<ul style="list-style-type: none"> <li>• <b>Resolved:</b></li> <li>• <b>Board approved in principle Councillor Kevin Osborne to be appointed as a Board member. The appointment will be formalised at the AGM 29th September 2022.</b></li> <li>• <b>Board approved the action plan proposed from the self-assessment which also incorporates the actions recommended from DTP to further improve our governance arrangements.</b></li> <li>• <b>Board agreed that the action plan progress be monitored by Audit and Risk Committee.</b></li> </ul>	
<p><b><u>Item 5 – Annual Governance Statement</u></b></p> <p>AGa presented the report which has already been considered at the last Audit and Risk Committee. The Committee recommended that Board approve.</p> <p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>• <b>Board were satisfied that the assurance provided in the report, in relation to internal control arrangements, is sound and forms a satisfactory basis for the Statement attached as Appendix A for inclusion in the 2021-22 Accounts.</b></li> <li>• <b>Board noted the proposed 2022 - 23 Plan outlined at 4.13 for improving the robustness of the system of internal control.</b></li> <li>• <b>Board approved the Modern Slavery Statement 2021-22 for signature by the Board</b></li> </ul>	
<p><b><u>Item 6 – Berneslai Homes Report and Accounts for the period ended 31 March 2022</u></b></p> <p>NW presented the report and accounts for approval. These have already been considered in detail by the Audit and Risk Committee. There have been no further changes since this meeting.</p> <p>The key issues were outlined, including reference to the information contained within the report on the income statement, the statement of financial position and cash flows.</p> <p>Board were referred to the pension deficit decrease as outlined within the report.</p> <p>GE as Chair of Audit and Risk added that all the assumptions were agreed with the auditors and our actuaries and there were no differences. The Council have provided their usual letter, confirming they guarantee pension deficit, providing the necessary assurance to Board.</p>	

<p>The tri-annual pension valuation will take place in December, the results will be available early in the new year. AH advised that the impact of the recent fiscal events was beneficial to pension evaluations.</p> <p>The Chair of the Board felt it would be beneficial to gain a better understanding of Board's role in relation to pensions liability. It was suggested this could be picked up at the Quarterly ALMO Strategic meeting.</p> <p>GE was pleased to see that there were no issues on going concern and that this had now progressed. However, he did highlight the timetabling issues, but asked Board to note that all audits have been experiencing similar difficulties. The Audit and Risk Committee were pleased with the accounts and he said he was happy to hand over to the new Audit and Risk Committee Chair.</p> <p>He concluded by referring to the significant changes within the Finance Team and extended his thanks to KS for her dynamic approach and to the team, for their hard work, particularly Norma Wright in producing the accounts to such a high standard.</p> <p>KMcA took the opportunity to thank and praise GE for his commitment. She said he had been a fantastic Chair, was thorough and a great communicator and he had been a pleasure to work with.</p> <p>External Audit are expected to award an unqualified opinion.</p> <p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>• <b>Board approved Berneslai Homes Ltd. Report and Accounts for the period ended 31 March 2022;</b></li> <li>• <b>The Accounts were signed by the Chair plus 1 other Board Member on behalf of the Board;</b></li> <li>• <b>Board noted the report of the External Auditor;</b></li> <li>• <b>Board approved the letter of representation, and</b></li> <li>• <b>The Chair signed the letter of representation on behalf of the Board</b></li> </ul>	<p>KMcA</p>
<p><b><u>Item 7 – Sustainability Strategy</u></b></p> <p>AGu presented the report and Strategy. The draft had been considered at the last Board meeting in July where comments had been made and a position statement requested. The Strategy has been updated in line with comments made and a position statement provided at Appendix B.</p> <p>It was noted political changes may affect enthusiasm on green issues and the potential risk to decarbonisation funding.</p>	

<p>Board requested an annual update be undertaken.</p> <p>The Chair took the opportunity to extend her thanks for the production of the Strategy Index (saved in Decision Time Resources)</p> <p><b>Resolved:</b></p> <p><b>Board approved the Sustainability Strategy 2022-27</b></p>	<p>AGu</p>
<p><b><u>Item 8 – Fire Safety Document Approvals</u></b></p> <p>AGu presented the documents below for approval. They were referred to at the last Board meeting, however, approval by Board was not confirmed, hence the reports being on the agenda today:-</p> <ul style="list-style-type: none"> <li>• Fire Safety Plan</li> <li>• Fire Management Plan</li> <li>• Fire Risk Assessment Policy</li> <li>• Fire Risk Assessment Process Map</li> <li>• Fire Risk Assessment Procedure</li> <li>• Building Safety Resident Engagement Strategy</li> </ul> <p>AGu brought to the attention of Board an error on fire safety policy. The table refers to buildings of 6 stories or more – the Bill refers to 7 stories.</p> <p>MJ advised he had looked at the documents thoroughly and identified some areas for clarification/amendment and gave examples. As these were relatively minor, it was agreed that he discuss with AGu and the documents be amended accordingly.</p> <p>AGu provided an update on the smokes/carbon monoxide detector installation programme. The team have been working hard to meet the deadline of 1/10/22. There are currently 2000 outstanding. Every property has been visited, although access has not been gained for every home The Regulator has now agreed that if the deadline has not been met, as long as there is an installation plan in place, there is no requirement at this stage to self refer. It was therefore agreed an update on the timetable be brought back to the December Board.</p> <p><b>Resolved:</b></p> <p><b>Board approved the following documents, subject to the clarifications/ amendments as discussed being actioned.</b></p> <ul style="list-style-type: none"> <li>• <b>Fire Safety Policy</b></li> <li>• <b>Fire Management Plan</b></li> <li>• <b>Fire Risk Assessment Policy</b></li> <li>• <b>Fire Risk Assessment Process Map</b></li> <li>• <b>Fire Risk Assessment Procedure</b></li> <li>• <b>Building Safety Resident Engagement Strategy</b></li> </ul>	<p>MJ/AGu</p> <p>AGu</p>

<p><b><u>Item 9 - Delivery against HRA and Capital Programme</u></b></p> <p>AGu presented, highlighting the key points.</p> <p>BHS works have commenced. There 10 schemes in total. Of these 6 are open and the remaining 4 will commence between October 2022 and January 2023. All work will be completed this financial year. The report highlights the progress and this will be developed further to provide greater visibility.</p> <p>Discussion followed on the Board’s role in the process, the budget responsibility/relationship in relation to the HRA, Capital Programme, Management Fee etc. It was agreed, for Board to gain more clarity, a separate briefing session be arranged.</p> <p>AGu advised Board that there were no risks identified in this year’s agreed programme. However, a comment was made that it was difficult to gauge the financial aspect from the report in relation to underlying issues and it was agreed that MJ and AGu discuss separately to ensure future reports capture the relevant information.</p> <p>AGu confirmed there had been issues in previous years around resources and valuations, which resulted in an overspend, causing delays in the release of early work. Significant work has been taking place with the Council to ensure that processes are in place to mitigate this occurring in the future.</p> <p><b>Resolved:</b></p> <p><b>Board noted the progress report.</b></p>	<p>MJ/AGu</p>
<p><b><u>Item 10 – Q1 Performance Report</u></b></p> <p>DF presented summarising the key points.</p> <p>Board noted that Customer Services Committee had discussed the report in detail, focusing on the hardships, the cost-of-living impact and the support being provided. The Committee will be undertaking a deep dive at the next meeting on this issue.</p> <p>An observation was made on void rent loss shown in the green category with turnaround days exceeding target. Rent collection was discussed and DF provided historical information on long term difficult to lets. He reported on the activity that has been taking place over the last 6-9 months around lettings and the importance of looking at voids turnaround time and rent loss together which is indicating BH are in a good position.</p> <p>The improvement in the Call centre was noted with 85% of calls now being responded to within 3 minutes and more improvements have been introduced which will improve performance further. It is also the intention that all rent related calls will bypass the Call Centre and be diverted directly to BH back-</p>	

<p>office staff who have all the relevant information to hand and can refer, where required, to the Tenants First Team.</p> <p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>• <b>Board considered and given opportunity to comment on the performance of the organisation during the first quarter of the financial year.</b></li> <li>• <b>Board 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.</b></li> <li>• <b>Board did not identify any further areas where they feel as though more detailed consideration is required by Customer Services Committee</b></li> </ul>	
<p><b><u>Item 11 – Strategic Housing and Growth Update</u></b></p> <p>SC presented the information slides, expanding on key areas.</p> <p>New Build – Noted programme small, however, build is to high specification, particularly in relation to energy efficiency measures :-</p> <p>Laithes Lane scheme bungalows– completed, tenants moving in. EPC A rated – won Secured by Design Award. Invitation extended to Board Members to visit scheme.</p> <p>Billingley View – semi-detached properties, responding to local need. Build commenced February. Working with Leeds Sustainability Institute on build specification. Hope to see impact on affordability. Local Contractor on board.</p> <p>St Michaels Scheme – mix of apartments, bungalows, houses – for sale and social rent. Contractors on site. Will receive capital receipt which will go into delivering more housing provision.</p> <p>Goldthorpe Market Site – part of Town Deal Funding. A regeneration priority. Mix of houses, bungalows. Tender process completed – 2 local contractors interested. Attracted external funding. £225K brownfield funding also secured.</p> <p>Future delivery challenges outlined and funding situation will worsen. No further funding has been identified in the HRA and she referred to the challenges on the HRA to deliver on compliance, decency programmes etc. It will be necessary to look at more innovative funding options in the future. Reference was made to the lack of land; all big sites have already been redeveloped. Cost of delivery is over £200K per unit, there is a lack of contractors and issues with the supply chain. There is a need to meet housing needs and it is important to build in the right places and lead by example in terms of quality.</p>	<p>All</p>

<p>Profit margins discussed. SC advised that profit is not significant, at around 2%, however a capital received will be received. Suggestion made that private landlords may wish to offload due to the requirements with regard to energy efficiency and their lack of knowledge regarding retrofit. The Council are working closely with them, however, any investment would need to be balanced against the costs of retrofitting. Consideration needs to also be given to, that by not doing anything could result in properties being left empty, which would incur additional costs to tackle.</p> <p>The Chair on behalf of Board thanked SC for the useful update. They are particularly interested in the mapping exercise the council are undertaking, considering numbers, needs and financial implications. When this has concluded KMcA agreed to share with the Board.</p> <p><b>Resolved:</b></p> <p><b>Board noted the update</b></p>	<p>KMcA</p>
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