



**BERNESLAI HOMES BOARD**

**26<sup>TH</sup> MARCH 2026 AT 3.00 P.M.**

**(VIRTUAL MEETING)**

**Public Agenda**

<b><u>Item No.</u></b>	<b><u>Title</u></b>	<b><u>For Approval/Decision/ Information</u></b>
1.0	Apologies	
2.0	Declarations of Interest	
3.0	Minutes of previous meeting 19/2/26	For approval
4.0	PRIP Q3 Performance	For information
5.0	HRA 2026/27 Budget and Capital Investment Proposals 2026 – 31	For information
6.0	Date of next Meeting – Thursday 28/5/26	



**Minutes of Berneslai Homes Board held 19<sup>th</sup> February 2026**

**4.00 p.m.**  
**Gateway Plaza**

**Present:**

Ken Taylor (KT)	-	Chair
Richard Fryer (RF)	-	Board Member
Adam Hutchinson (AH)	-	Board Member (Remote)
David Leech	-	Board Member
Gez Morrall (GM)	-	Board Member
Kevin Osborne (KO)	-	Board Member
Rebecca Mather (RM)	-	Board Member
Jo Sugden (JS)	-	Board Member

**In attendance**

Amanda Garrard (AGa)	-	CEO
Dave Fullen (DF)	-	Executive Director, Customer & Estate Services
Rachel Taylor (RT)	-	Executive Director, Resources and Company Secretary
Russell Thompson (RTh)	-	Interim Executive Director, Property Services
Paul Clifford (PC)	-	Service Director BMBC

**Observing**

Steve Feast (SF)	-	BH CEO (from 1/4/2026)
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Ken welcomed SF to the meeting.

	<b>ACTION</b>
<p><b><u>Item 1 – Apologies</u></b></p> <p>George Paterson – Board Member Alison Dalton - BMBC</p>	
<p><b><u>Item 2 – Declarations of Interest</u></b></p> <p>All Board members declared an interest in Item 2 on the confidential agenda with regard to the Remuneration element of the Governance Update report.</p>	

<p><b><u>Item 3 – VFM Strategy</u></b></p> <p>RT advised Audit and Risk Committee had considered and discussed the report at its meeting in January. The report highlights the achievements delivered on the year 1 action plan, noting the year 2 action plan will be developed as part of the budget setting process and presented to the Board in March.</p> <p><b>Resolved:</b></p> <p><b>Board noted the progress reported and the current risk position.</b></p>	
<p><b><u>Item 4 – Quarterly Risk Update</u></b></p> <p>RT advised this report had been reviewed and approved by Audit and Risk Committee on the 29/1/2026. Board’s attention was drawn to the key points – the 17 active strategic issues/concerns, the contingent liabilities register, the emergency resilience and business continuity update including approval of the Corporate Emergency Response Plan. An update has also been provided on failure to prevent fraud new legislation. A review of the strategic risks has been undertaken in line with the implementation of the new system. These will be reported to Board in May, following Audit and Risk Committee in April.</p> <p>AH referred to Failure to Prevent Fraud (new Act). He noted that Audit and Risk had reviewed and feels the primary mitigation is effective staff training and clear communication on the relevant policies. He requested that Board receive assurance that this activity has been completed.</p> <p>KO queried the key risks currently facing other ALMOs and housing providers, how sector knowledge is shared, and whether there are lessons to be learned from national challenges. RT referred to the Regulator of Social Housing (RSH) Sector Risk Profile, which outlines the principal risks facing the sector and has previously been considered by the Audit and Risk Committee to assess organisational alignment. AGa emphasised that the organisation operates as a learning organisation and actively promotes networking through established sector groups, including the NFA, NHF, DIN, NHC, and South Yorkshire Housing Partnership, where senior officers regularly engage to share best practice, discuss key issues, and identify opportunities for improvement. We also receive independent assurance through third party accreditations from recognised sector experts, such as DTP and TPAS, who provide specialist expertise within the housing sector.</p> <p>Board welcomed the new strategic risk register which looks better and clearer.</p> <p>RF referred to the sector risk profile summary of key themes set out in Section 4.9 and asked whether there is sufficient confidence between the sector risk profile and the risk register, ensuring the organisation is sighted on the correct risks. RT advised that the new risk register demonstrates an appropriate read across. However, EMT would welcome feedback from the</p>	<p>RT</p>

<p>Board, particularly if members feel any risks have been omitted, confirming that ongoing engagement is encouraged.</p> <p>PC welcomed the sector risk profile assessment, noting that it provides good comparison. He also welcomes the introduction of the new system.</p> <p>KT asked whether the Corporate Emergency Response Plan covers cyber security, particularly in the event of a complete systems failure. RT confirmed that an additional cyber security plan has been developed within the Resources Directorate and is being tested there before rolling out to other directorates. Work has been carried out in close partnership with the Council, and although not referenced in this report, the Audit and Risk Committee is aware. AGa added that cyber security risks are prioritised.</p> <p><b>Resolved:</b></p> <p><b>Board:</b></p> <ol style="list-style-type: none"> <li>I. Reviewed and comment on the Risk Management Quarterly Update.</li> <li>II. Reviewed and comment on the Strategic Risks.</li> <li>III. Approved the review of the Corporate Emergency Response Plan</li> </ol>	
<p><b><u>Item 5 – Update on BH Annual Business Action Plan</u></b></p> <p>RT introduced the report to the meeting, highlighting the two key elements; one element that is reportable and monitored by BMBC in line with the Services Agreement, and the associated actions for BH’s internal monitoring and reporting.</p> <p>The report provides an update on progress to the end of Quarter 3, noting that good progress has been made. There were no queries/questions or comments raised by the Board.</p> <p><b>Resolved:</b></p> <p><b>Board noted progress against the Annual Business Action Plan 25/26 as at the end of quarter three.</b></p>	
<p><b><u>Item 6 – Performance</u></b></p>	
<p><b><u>Item 6.1 Q3 Performance Summary 2025/26</u></b></p> <p>DF presented the report which has already been reviewed by Customer Services Committee. He highlighted the key points.</p> <p>We have maintained strong areas of performance around building safety compliance, rent collection levels, noting 10,000 tenants are now on Universal Credit (UC), complaints responded within target and repairs completed in target. It is also pleasing to report that the Contact Centre has maintained performance.</p>	

Awaab's Law action plan is holding, particularly taking into consideration the time of the year.

Voids remain a significant key challenge and a separate report is being considered later.

He highlighted TSM Measure RPO2 (repairs completed within target). This measure has historically been challenging to produce for the regulator and was previously referenced in internal audit management actions. Significant work has now been completed, enabling reliable reporting. The measure has been externally validated by 3C, providing full assurance and demonstrating substantial improvement.

Following EMT's focus on staff sickness the Board noted a reduction in overall absence levels, although there has been an increase in acute medical absences. This is being monitored and the People & Culture Team are working with managers and developing options for consideration by EMT. RF noted that the reduction in sickness absence was encouraging, particularly given that this had been a persistent challenge and it is pleasing that a positive improvement has been achieved.

KO referred to rent collection at 99% and queried how much the outstanding 1% equated to. DF advised that this is around £800K. Board noted however that January's collection was reported at 100%. DF explained that collection challenges typically arise at the point of rent increases, particularly where tenants in receipt of UC must update their own details, which then require verification by BH. It was noted that an AI bot is expected to be introduced this year to support this process, improving efficiency and freeing up staff capacity which will enable faster verification. The write off process was also clarified, confirming that it is subject to a quality assurance programme and requires senior level sign off by BH and the Council. The Board further acknowledged the positive and effective working relationship with DWP.

KT noted that, compared with 2024/25, the 2025/26 summary shows a marked improvement, with fewer red indicators on the dashboard. Progress has been made through a clearer understanding of the issues, and action plans are now in place to address them.

KT asked thanks be extended to the team.

**Resolved:**

- I. Board considered Quarter 3 performance.**
- II. Where performance targets have not been achieved, Board were satisfied with the explanations provided and that there are adequate controls and actions in place.**

**Item 6.2 – Building Safety Compliance Scorecard Q3**

RTh presented the report and asked the Board to note that the current format is not optimal. Further work is underway, and an improved format will be presented to the next Board.

The Board noted the increase in asbestos figures, which was attributed to a number of properties having been incorrectly categorised.

An issue relating to stock condition surveys was highlighted; however, positive action has been taken. One of the options currently being considered is to bring this service in-house.

JS commented that she was pleased to see improvement. She referred to the Decent Homes information, which has been rated red for a considerable period, and asked when improvements would be seen and what the percentages represented.

AGa advised that the numbers involved were minimal and confirmed that the target remains 100% and must remain at this from a Regulatory perspective, although the inclusion of certain tolerances could be considered. The year-end figures would provide the true position. In the previous year, 180 properties out of approximately 18,000 were affected. Reasons included access issues and component changes.

RTh advised he would circulate information on the current Decent Homes position and the stock condition survey outturn.

RTh

RF referred to the governance oversight referenced at 3.7 of the report which states the Building Safety performance is a standard item for the Audit and Risk and Customer Services Committees (CSC). He noted that this does not appear to be a standard item in the CSC's new terms of reference and requested that this will be clarified to ensure clear governance oversight.

RT

RF raised concerns regarding the challenges with Pennington Contractors (paragraph 4.17) and queried whether these issues were impacting the pace and delivery of the stock condition surveys. RTh confirmed this is being addressed with some work reallocated to a new contractor taking on elements of the programme. A replacement contractor is being sought. RTh highlighted the ongoing pressures on the stock condition survey programme due to demand and a shortage of qualified surveyors. Options are being explored to bring this function in-house by developing and training an internal team capable of undertaking stock condition surveys alongside EPC, damp and mould surveys etc. This approach would support succession planning and provide greater flexibility. The Interim Head of Asset Management will present a proposal to EMT for consideration in the near future. GM expressed his dissatisfaction with the current contractor model and noted that an in-house team would deliver improved outcomes for tenants.

PC stressed the importance of early intervention with contractors when under-performing.

<p><b>Resolved:</b></p> <p><b>Board reviewed and noted Berneslai Homes’ performance in delivering overall Building Safety Compliance.</b></p>	
<p><b><u>Item 7 – Sustainability Strategy 2022 – 2027 Action Plan Progress Review</u></b></p> <p>RTh advised that good progress has been made and praised the efforts and dedication of the Assets and Sustainability Manager.</p> <p>Delivery of the EPC C programme will be a challenge and we will work collaboratively with BMBC colleagues on the programme and the necessary funding. Positive publicity has been achieved in relation to solar panels/batteries and this agenda will continue to be actively progressed.</p> <p><b>Resolved:-</b></p> <p><b>Board noted the progress reported and the current risk position.</b></p>	
<p><b><u>Item 8 – Minutes/Actions Debriefs:</u></b></p>	
<p><b><u>Item 8.1 – Minutes and actions from the last meeting held 11<sup>th</sup> December 2025</u></b></p> <p><b>Resolved:</b></p> <p><b>The minutes and actions were approved.</b></p>	
<p><b><u>Item 9 - Date of Next Meeting</u></b> – 26<sup>th</sup> March 2026 (Virtual meeting)</p>	

<b>Report Title</b>	2025/26 Q3 PRIP Performance Report - Summary	<b>Confidential</b>	No
<b>Report Author</b>	Livia Williams	<b>Report Status</b>	For Information
<b>Report To</b>	Board 26 <sup>th</sup> March 2026	<b>Officer Contact Details</b>	<a href="mailto:liviawilliams@berneslaihomes.co.uk">liviawilliams@berneslaihomes.co.uk</a>

<b>1. Executive Summary</b>	<p>The Property Repairs Improvement Partnership (PRIP) ‘contract’ delivers the repairs and maintenance functions to the Council’s 18,000 homes.</p> <p>Berneslai Homes within the terms of the Services Agreement are delegated responsibility for the operational delivery and management of the contract.</p> <p>BH Property Services Repairs Team (PSRT) and Wates Living operate on a 2/3<sup>rd</sup> and 1/3<sup>rd</sup> split geographically for works across the Borough.</p> <p>There is a robust PRIP performance framework included within the contract for the monitoring and management of contract partners and effective delivery of services.</p> <p>The framework includes an agreed contractual suite of KPIs that are measured and reported on a quarterly basis in year. This provides assurance by offering measurable, data outputs to confirm whether contract partners performance targets are being met. It also allows for the identification of risks and demonstrates progress in alignment towards strategic objectives.</p> <p>Within the PRIP performance report there are also Social Value and Sustainability elements that offer wider benefits to individuals and communities locally beyond the direct outputs from contracted works delivery.</p> <p>The PRIP Performance report is produced by the Council’s Strategic Contract Management Team and it is attached as an Appendix.</p>
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At the end of the Q3 period the following results were achieved

PARTNER	GREEN	RED
<b>Property Services</b>	11 (73%)	4 (27%)
<b>Wates</b>	12 (80%)	3 (20%)
<b>Combined</b>	10 (67%)	5 (33%)

**Contract Partners Performance Summary**

In comparison to the 2025/26 Q2 performance reported previously, there has been an improvement from PSRT in Q3. From achieving 8 KPIs previously they have achieved 11 KPIs this period. Also, Wates have maintained good performance in this reporting period across 12 KPIs.

Areas of strength for both contract partners are on the percentage of jobs completed on time for all categories, minor and major adaptation target times for works, gas safety checks and void turnaround time. From a Health & Safety perspective there were no reportable accidents per 100 FTE employees by contract partners in the period.

Areas of improvement for both contract partners are on the tenant satisfaction with responsive repairs target (KPI 7). PSRT are approx. 7% points below and Wates are 22% points below the 95% target. This is an improvement on both contract partners Q1 performance however, the underperformance has been highlighted and is included on the action plan tracker with each contract partner having individual plans to address and improve performance.

Both contract partners remain marginally below the percentage recycled waste target of 96% and Wates alone are above the 25% target for subcontracting of works.

KPI 1 – Appointments Kept. This continues to be a challenge for PSRT. Some operational improvements are being implemented that should help with improving performance level. This includes ensuring that operatives ring ahead prior to the appointment to ensure that the tenant is available, and continue to monitor and make adjustments to the dynamic resourcing software DRS, which provides the ability to plan appointments for tenants.

KPI 7: Tenant satisfaction with repairs continues to be a challenging target. PSRT has got an improved level of tenant satisfaction level while Wates Property Services are working on an improvement plan. Voicescape has proven effective in giving a good insight into the perception of our tenants.

	<p>The full PRIP performance report attached provides full partner commentary and detailed narrative on agreed actions to be implemented to address any underperformance areas.</p> <p>From a social value perspective both contract partners are showing a real commitment to investing in apprenticeships and impact on local communities. However, the target set around school engagement would be difficult to achieve and it would require a reset in the new financial year.</p> <p>KPI 10: Recycled Waste. While both contractors are committed to continuously recycling and reducing waste at every opportunity, some of the set targets have been affected by the amount of waste removed from void properties.</p> <p>The Board should be assured that appropriate mechanisms are in place in line with the PRIP contractual agreement and KPI performance framework to address and remediate areas of underperformance reported.</p>
<p><b>2. Recommendation/s</b></p>	<ul style="list-style-type: none"> <li>• <b>Board is asked to consider Q3 2025/26 PRIP Performance Report update summary report.</b></li> <li>• <b>Where PRIP performance targets have not been achieved, Board should ensure they are satisfied with the explanations provided and there are adequate controls and actions in place</b></li> <li>• <b>Board should identify any areas where they feel more detailed consideration is required by Customer Services Committee on any customer focused KPIs.</b></li> </ul>

# PRIP Performance Dashboard 2025/26 Quarter 3

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**BARNESLEY**  
Metropolitan Borough Council



Wates



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# 1. SUMMARY OF RESULTS

This is the second quarterly report for 2025/26 produced by BMBC's Strategic Contract Management Team. The report provides a concise display of performance against the agreed suite of KPIs.

By end of Quarter 3, the following results were achieved for the 2025/26 financial year

PARTNER	GREEN	RED
PROPERTY SERVICES REPAIRS	11 (73%)	4 (27%)
WATES	12 (80%)	3 (20%)
COMBINED	10 (67%)	5 (33%)

## 2. COMBINED KPI PERFORMANCE

COMBINED KPI PERFORMANCE				
<p align="center"><b>KPI 1</b></p> <p align="center">% Of Appointments Kept</p> <p align="center">Target 99.10% Performance 97.33%</p>	<p align="center"><b>KPI 2A</b></p> <p align="center">% of jobs completed on time 24 hours</p> <p align="center">Target 99.50% Performance 99.76%</p>	<p align="center"><b>KPI 2B</b></p> <p align="center">% of jobs completed on time 7 days</p> <p align="center">Target 99.50% Performance 99.96%</p>	<p align="center"><b>KPI 2C</b></p> <p align="center">% of jobs completed on time 7 days</p> <p align="center">Target 99.50% Performance 99.72%</p>	<p align="center"><b>KPI 2D</b></p> <p align="center">% of jobs completed on time 25 days</p> <p align="center">Target 99.50% Performance 99.70%</p>
<p align="center"><b>KPI 3</b></p> <p align="center">Voids Turnaround time</p> <p align="center">Target 9 days Performance 7.75 days</p>	<p align="center"><b>KPI 4</b></p> <p align="center">Sub-contracting % value</p> <p align="center">Target 25% Performance 29.30%</p>	<p align="center"><b>KPI 5</b></p> <p align="center">Reportable accidents</p> <p align="center">Target 0 Performance: 0</p>	<p align="center"><b>KPI 6</b></p> <p align="center">Gas Safety checks</p> <p align="center">Target 100% Performance 100%</p>	<p align="center"><b>KPI 7</b></p> <p align="center">Overall % customer satisfaction</p> <p align="center">Target 95% Performance 80.96%</p>
<p align="center"><b>KPI 8</b></p> <p align="center">Major adaptations</p> <p align="center">Target 28 days Performance 18.94 days</p>	<p align="center"><b>KPI 9</b></p> <p align="center">Barnsley Pound</p> <p align="center">Target 75% Performance 74.57%</p>	<p align="center"><b>KPI 10</b></p> <p align="center">% of recycled waste</p> <p align="center">Target 96% Performance 94.34%</p>	<p align="center"><b>KPI 11</b></p> <p align="center">Guaranteed Minimum Price</p> <p align="center">Target 100% Performance 100%</p>	<p align="center"><b>KPI 12</b></p> <p align="center">Minor adaptations</p> <p align="center">Target 7 days Performance 5.79 days</p>

### 3. PROPERTY SERVICES DASHBOARD

Property Services Repairs Team			Q1		Q2		Q3	
KPI	Definition	2025/26 Target	Performance	Trend	Performance	Trend	Performance	Trend
KPI 1	Percentage of appointments kept out of total appointments made	99.10%	89%	↑	94.07%	↑	95.37%	↑
KPI 2A	Percentage of 24-hour responsive jobs completed on time	99.50%	100%	↑	99.68%	↑	99.91%	↑
KPI 2B	Percentage of 3-day responsive jobs completed on time	99.50%	100%	↑	99.35%	↓	100%	↑
KPI 2C	Percentage of 7-day responsive jobs completed on time	99.50%	100%	↑	98.98%	↓	99.91%	↑
KPI 2D	Percentage of 25-day responsive jobs completed on time	99.50%	100%	↑	99.57%	↓	99.86%	↑
KPI 3	Routine voids turn round time	9 days	6.8 days	↑	7.06 days	↓	7.13 days	↓
KPI 4	Subcontracting as a % of contract value	25%	21.38%	↑	23.75%	↓	24.97%	↓
KPI 5	Number of reportable accidents per 100 FTE employees	0 Nr	0	↔	3	↓	0	↑
KPI 6	Percentage of properties with a current gas Compliance Certificate	100%	100%	↔	100.00%	↔	100%	↔
KPI 7	Tenant Satisfaction Responsive Repairs	95%	87%	↑	87.66%	↓	88.17%	↑
KPI 8	Major adaptations - time from order to completion	28 days	22.44 days	↑	19.63 days	↑	15.76 days	↑
KPI 9	Barnsley Pound	75%	76.27%	↑	70.94%	↓	68.79%	↓
KPI 10	Percentage Recycled Waste	96%	94.28%	↓	94.09%	↓	93.89%	↓
KPI 11	Agreement of individual Guaranteed Maximum Price (GMP) for Planned/Capital Improvement Works.	100%	100%	↑	100%	↔	100%	↔
KPI 12	Minor Adaptation - time from order to completion	7 days	6.89 days		5.85 days	↑	5.97 days	↓

## 4. WATES DASHBOARD








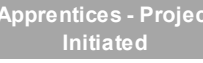


WATES			Q1		Q2		Q3	
	Definition	2025/26 Target	Performance	Trend	Performance	Trend	Performance	Trend
KPI 1	Percentage of appointments kept out of total appointments made	99.10%	99%	↓	99.35%	↑	99.30%	↓
KPI 2A	Percentage of 24-hour responsive jobs completed on time	99.50%	100%	↓	99.59%	↓	99.61%	↑
KPI 2B	Percentage of 3-day responsive jobs completed on time	99.50%	100%	↑	99.89%	↓	99.93%	↑
KPI 2C	Percentage of 7-day responsive jobs completed on time	99.50%	100%	↑	99.54%	↔	99.54%	↔
KPI 2D	Percentage of 25-day responsive jobs completed on time	99.50%	100%	↓	99.55%	↑	99.54%	↓
KPI 3	Routine voids turn round time	9 days	7.83 days	↓	8.15 days	↓	8.38 days	↓
KPI 4	Subcontracting as a % of contract value	25%	30.74%	↑	33.58%	↓	33.64%	↓
KPI 5	Number of reportable accidents per 100 FTE employees	0 Nr	0	↑	0	↔	0	↔
KPI 6	Percentage of properties with a current gas Compliance Certificate	100%	100%	↔	100.00%	↔	100%	↔
KPI 7	Tenant Satisfaction Responsive Repairs	95%	63%	↓	83.01%	↑	73.75%	↓
KPI 8	Major adaptations - time from order to completion	28 days	21.65 days	↓	22.18 days	↑	22.13 days	↑
KPI 9	Barnsley Pound	75%	80.07%	↓	80.10%	↑	80.36%	↑
KPI 10	Percentage Recycled Waste	96%	94.29%	↓	95.33%	↑	94.79%	↓
KPI 11	Agreement of individual Guaranteed Maximum Price (GMP) for Planned/Capital Improvement Works.	100%	100%	↑	100.00%	↔	100%	↔
KPI 12	Minor Adaptation - time from order to completion	7 days	5.7 days		5.56 days	↑	5.61 days	↓












## 5. OVERALL WORKS VOLUMES

	Definition	Measure	PSRT		Wates	
			Volume	Performance	Volume	Performance
KPI1	Percentage of appointments kept out of total appointments made	99.10%	8914	8501	5848	5807
KPI 2A	Percentage of 24-hour responsive jobs completed on time	99.50%	6697	6691	4946	4927
KPI 2B	Percentage of 3-day responsive jobs completed on time	99.50%	1664	1664	1476	1475
KPI 2C	Percentage of 7-day responsive jobs completed on time	99.50%	3487	3484	3266	3251
KPI 2D	Percentage of 25-day responsive jobs completed on time	99.50%	7156	7146	5597	5571
KPI 3	Routine voids turn round time	9 days	183 Properties	1305 Days	68 Properties	554 Days
KPI 4	Subcontracting as a % of contract value~}	25%	£15.65m	£3.9m	£10.13m	£3.4m
KPI 5	Number of reportable accidents per 100 FTE employees	0 Nr	203.23 FTE	0	84.64 FTE	0
KPI 6	Percentage of properties with a current gas Compliance Certificate	100%	10643	10643	5038	5038
KPI 7	Tenant Satisfaction Responsive Repairs	95%	516	492	259	191
KPI 8	Major adaptations - time from order to completion	28 days	184 Properties	2900 Days	110 Properties	2434 Days
KPI 9	Barnsley Pound	75%	£8.54m	£5.87m	£5.00m	£4.02m
KPI 10	Percentage Recycled Waste	96%	890 Tonnes	835 Tonnes	358.9 Tonnes	340.2 Tonnes
KPI 11	Agreement of individual Guaranteed Maximum Price (GMP) for Planned/Capital Improvement Works.	100%	6	6	7	7
KPI 12	Minor Adaptations - time from order to completion	7 days	340 Properties	2008 Days	193 Properties	1082 Days

## 6. SOCIAL VALUE - PSRT

PROPERTY SERVICES REPAIRS TEAM							
SOCIAL VALUE		MIN TARGET	COMMITTED TARGET	Q1	Q2	Q3	
 School Visits	 Voluntary Organisation Activity Support	50	50	1	0	0	School Visits
		40	40	1	3	2	Voluntary Organisation Activity Support:
 Local Barnsley Supply Chain	 Work Experience (< 18 Years Old)	40	40	5	6	7	Local Barnsley Supply Chain
		24	24	3	11	0	Work Experience (< 18 Years Old)
 Work Experience (> 18 Years Old Repairs)	 Apprenticeships	20	20	0	10	11	Work Experience (> 18 Years Old Repairs)
	 Apprentices - Project Initiated	14	24	1	25	25	Apprentices – Project Initiated (Nr of Persons)
 Number Of Memberships/Support Local Charities	 Work Experience < 18 Years Old	20	20	8	8	13	Number of Memberships of Local Groups/Working with Business/Sponsorship of Local events/Support Local Charities
		75.00%	76.27%	76.27%	70.94%	68.79%	75% of contract spend [£30m per year] in Barnsley.

## 7. SOCIAL VALUE – WATES

WATES							
SOCIAL VALUE		MIN TARGET	COMMITTED TARGET	Q1	Q2	Q3	
 School Visits	 Voluntary Organisation Activity Support	25	36	3	3	3	School Visits
		20	24	6	6	6	Voluntary Organisation Activity Support:
 Local Barnsley Supply Chain	 Work Experience (< 18 Years Old)	20	24	2	12	11	Local Barnsley Supply Chain Activities
		12	24	3	2	2	Work Experience (< 18 Years Old)
 Work Experience (> 18 Years Old Repairs)	 Apprenticeships	10	24	0	1	0	Work Experience (> 18 Years Old Repairs)
		7	7	7	11	10	Apprentices – Project Initiated
 Number Of Memberships/Support Local Charities	 Work Experience < 18 Years Old	10	12	1	2	7	Number of Memberships of Local Groups/Working with Business/Sponsorship of Local events/Support Local Charities
		75.00%	75.00%	80.16%	80.04%	80.36%	75% of contract spend [£30m per year] in Barnsley.

## 8. Health and Safety

	WATES	PROPERTY SERVICES REPAIRS TEAM
Near Misses (any type,(Stops for Stop and Go data)	<b>79 Reports with 3 Stops reported as near misses</b>	<b>0 near misses</b>
Report acts of aggression (sent back via a form to BH)	<b>0</b>	<b>9</b>
Incidents/Accidents (less than one day)	<b>1</b> <b>Slip, trip and falls</b>	<b>Slips, Trips and Fails 4</b> <b>Manual Handling 3</b> <b>Cut 1</b> <b>Striking Stationary Object 1</b> <b>Fall from height 1</b> <b>Tools, Plant Machinery 1</b>
One day 1 +accidents by type	<b>0</b>	<b>0</b>

## 9. Partner Commentary – Property Services Repairs Team

**KPI 1:** Appointments Kept – This continues to be a challenge for PSRT and we have recently through an external consultant picked up a number of improvements that will help us to deliver an improved performance level. We are ensuring that operatives ring ahead prior to the appointment to ensure that the tenant is available. We continue to monitor and make adjustments to our dynamic resourcing software DRS, which provides the ability to plan appointments for tenants.

**KPI 5:** [RIDDOR](#) – Unfortunately, we have had 3 reportable accidents this financial year that are down to human error. These have been investigated, and the findings are that they are attributed to general accidents. There are no changes to our risk assessments, but awareness will be given at toolbox talks. Following previous feedback on near misses we have instigated a programme in conjunction with BH H&S Manager to discuss near miss at all toolbox talks and to embed a culture of craft operatives feeling comfortable reporting near misses. We will be able to report in its progress moving forward.

**KPI 7:** Tenant satisfaction with repairs continues to be a challenging target however we are seeing an improvement across all areas with the introduction of Voicescape, this is giving us a better insight into the perception of our tenants. A recent TSM report has highlighted improved satisfaction levels. However, we have had sight of the Housing Ombudsman Repairing Trust report and are along with the PRIP actions putting in place improvements that we feel will help to further improve tenant satisfaction. What is positive is the tenant’s perception of our craft operatives which is showing a marked improvement on previous results.

**KPI 9:** Barnsley pound – We are focussed on trying to achieve this KPI, it continues to be a challenge. We work within the public procurement regulations which can be specific; however we do award contracts to sub-contractors that have been procured as part of a tender exercise, and we have no control over the awarded companies through the procurement process hence some organisations from outside of the borough are successful at tender stage.

**KPI 10:** Recycled Waste – This is a challenge to achieve the target set. We recycle and reduce waste at every opportunity, however that is impacted by the amount of waste removed from voids and the need to turn the properties around in the current climate, therefore reducing our ability to manage the waste effectively.

## 10. Partner Commentary – Wates

Performance within the third quarter remains the same result with a total of 12 greens with excellent result on Barnsley pound at 80.36% and delivering 3-day repairs within the quarter at 100% along with Gas compliance. 3 KPI's are showing red which are noted below:

**KPI 4 :** Subcontractor spend has improved by 3.03% in quarter but remains above target due to the type of work and the unpredictable demand BH continues to order backlogged works with a view of establishing business as usual from April 2026. WPS feel that it would not be cost effective to employ short-term resource to carry out the backlog works as it costs approx. £900 per operative to onboard plus training time plus we would need to employ additional management.

**KPI 7:** Customer satisfaction feedback is reviewed each month and analysed to identify any recurring trends or areas requiring improvement. Recent training sessions and toolbox talks have been delivered with a specific focus on enhancing the quality of works completed and strengthening communication with customers.

**KPI 10 :** The Waste data for the contract is currently being benchmarked via WPS Senior Sustainability and Environmental Advisor against other like for like WPS contracts we deliver to review if the target is achievable, along with any lessons which can be implemented.

# 11. Better Barnsley Bond



<b>Report Title</b>	Housing Revenue Account (HRA) – 2026/27 Budget & Capital Investment Proposals 2026 - 31	<b>Confidential</b>	No
<b>Report Author</b>	Executive Director of Resources	<b>Report Status</b>	For Information
<b>Report To</b>	Board 26 <sup>th</sup> March 2026	<b>Officer Contact Details</b>	<a href="mailto:racheltaylor@berneslaihomes.co.uk">racheltaylor@berneslaihomes.co.uk</a>

<b>1. Executive Summary</b>	<p>The report attached as Appendix A was presented to and approved at the Barnsley Metropolitan Borough Council (BMBC) meeting on 5<sup>th</sup> February 2026.</p> <p><u>Customer Impact</u></p> <p>The report approves the 2026/27 rent and service charge increases and how the HRA resources will be deployed to deliver value for money services to customers.</p>
<b>2. Recommendation</b>	<p>That the Board <b>notes</b> the HRA 2026/27 Budget &amp; Capital Investment Proposals.</p>

### 3. Background

- 3.1 The Housing Revenue Account (HRA) is the Council's dedicated, ring-fenced account for council housing. It records all rental income and housing-related expenditure and is used to manage, maintain and invest in council homes on a financially self-sustaining basis.

### 4. Current Position / Issues for Consideration

- 4.1 The report attached as Appendix A was presented to and approved at the Barnsley Metropolitan Borough Council (BMBC) meeting on 5<sup>th</sup> February 2026.
- 4.2 The report highlights the funding provided to Berneslai Homes (BH) to deliver services and the resources allocated for the repair and maintenance of Council homes. BH is responsible for managing this budget. The Board will receive quarterly monitoring reports throughout 2026/27.



- 4.3 BH worked closely with BMBC to provide relevant information and projections of the investment required in current homes over the 30 year business planning timescale.
- 5. Customer Voice/Impact
- 5.1 The report approves the 2026/26 rent and service charge increases and how the HRA resources will be deployed to deliver value for money services to customers.
- 6. Risk and Risk Appetite
- 6.1 **Financial Sustainability** – the report sets out the key risks to the financial viability of the HRA (section 1.27 of Appendix A).
- 7. Strategic Alignment
- 7.1 The report relates to the resource allocation which has a direct impact on BH's ability to achieve the ambitions within the strategic plan..
- 8. Data Privacy
- 8.1 No data privacy issues arising directly from this report.
- 9. Consumer Regulatory Standards
- 9.1 Section 3.2.3 highlights the relevant regulatory requirements and how the HRA resources are deployed to ensures compliance with the requirements, additional resources have been provided to support compliance with Awaab's Law.
- 10. Other Statutory/Regulatory Compliance
- 10.1 The report sets out additional compliance requirements.
- 11. Financial
- 11.1 These are set out in the body of the HRA budget report.
- 12. Human Resources and Equality, Diversity and Inclusion
- 12.1 The HRA report highlights additional resources provided to BH to recruit additional staff..
- 13. Sustainability Implications
- 13.1 Section 3.6 of the HRA report sets out the sustainability implications.
- 14. Associated Background Papers
- 14.1 N/A.
- 15. Appendices

15.1 Appendix 1 - Housing Revenue Account (HRA) – 2026/27 Budget & Capital Investment Proposals 2026 - 31.

16. Glossary

16.1 BH – Berneslai Homes  
BMBC – Barnsley Metropolitan Borough Council  
EPC – Energy Performance Certificate  
EV – Electric Vehicle  
HRA – Housing Revenue Account  
SAHP – Social and Affordable Housing Programme  
TSM – Tenant Satisfaction Measure

## BARNSELY METROPOLITAN BOROUGH COUNCIL

**REPORT OF:** EXECUTIVE DIRECTOR GROWTH & SUSTAINABILITY, DIRECTOR OF FINANCE (S151 OFFICER)

**TITLE:** HOUSING REVENUE ACCOUNT – 2026/27 BUDGET & CAPITAL INVESTMENT PROPOSALS 2026-31

<b>REPORT TO:</b>	<b>CABINET</b>
<b>Date of Meeting</b>	<b>21 JANUARY 2026</b>
<b>Cabinet Member Portfolio</b>	<b>Core Services and Regeneration and Culture</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Public or Private</b>	<b>Public</b>

**Purpose of report**

To present to Cabinet the Housing Revenue Account (HRA) budget and proposed rent levels for 2026/27. The report also outlines the 2026-31 housing capital programme and details key elements of the HRA business plan. The report also seeks approval from Full Council to agree the recommendations set out in the report.

**Executive Summary**

The report sets out the revenue and capital budgets for the HRA for 26/27 alongside indicative forecasts for future years. The proposed recommendations support the continued investment in council homes, ensuring that the Council meets all the requirements of the Social Housing Regulator and keeps tenants safe in their homes.

Specifically, key proposals for consideration / to note are:

- Increase rents, non-dwelling rents and service charges by 4.8%;
- Rent convergence is not included in the 26/27 business plan as this is yet to be confirmed by Government. If included this would provide scope for additional investment from 2032 onwards dependent on the level agreed;
- £55.2M core investment programme to ensure decency across the stock inclusive of revenue and capital;
- Cabinet to note an indicative c£5M (c£1M p.a. for 5 years inflated) to fund Building Safety Compliance measures;
- Cabinet to note indicative £9M environmental estate improvement works programme for 5 Years;
- Cabinet to note indicative £42M planned programme to deliver EPC C stock rating to 100% by 2030;
- Cabinet to note indicative £43M New Build and Acquisitions Strategy to deliver 200+ new homes into the HRA which is inclusive of match funding from Social and Affordable Homes Programme (SAHP);
- Investments in Berneslai Homes Management fee of £0.6M to fund – Love Where You Live ASB officer £0.1M, Enhanced Neighbourhood Support £0.4M and Awaabs Law Team £0.1M;
- Cabinet to note a future Capital programme savings / re prioritisation or managed slippage requirement to maintain a balanced 30 years business plan of £4.5M p.a. for years 2-5 totalling £18M.

The report provides Members with background on the pressures within HRA's, which are impacting all stock holding authorities at both a national and local level. The HRA faces a series of difficult challenges over the coming years for a variety of reasons as noted in this report. The report also

details the findings of several independent reviews commissioned by the Council around Barnsley's HRA.

### **Council Plan Priority**

The Council's HRA budget contributes towards the delivery of the Council's Housing Strategy, Homeless Prevention and Rough Sleeping Strategy (2023-2028), Private Sector Housing Plan 2030, and wider housing indicators.

**Healthy Barnsley** – Housing is a wider determinant of health and can exacerbate health inequalities. Investment via the HRA to ensure that our homes remain warm, dry, and safe, can improve general physical health outcomes. Affordable, well designed, spacious, and secure homes can positively influence mental health and wellbeing.

**Growing Barnsley** – Via investment in new stock, the Council will increase the provision of safe, warm, and affordable new homes across the borough; contributing to housing growth and aiming to mitigate against stock lost via Right to Buy.

**Sustainable Barnsley** – Investment in new sustainable homes and/or retrofit works to existing stock will contribute to increased energy efficiency and reduced carbon emissions. This seeks to meet the Council's aspirations to deliver its Zero 40/45 agenda in ensuring that council assets are energy efficient and maximise opportunities to both utilise and generate low carbon energies.

**Learning Barnsley** – Investment in housing will deliver social value, jobs and learning opportunity outcomes.

### **Recommendations**

**That Council is recommended to approve:**

- 1. The HRA draft budget and business plan for 2026/27 and note the Medium Term Financial Strategy (MTFS), with any final amendments being delegated to the Cabinet Spokesperson for Regeneration and Culture and the Executive Director for Growth and Sustainability in consultation with the Cabinet Spokesperson for Core Services, the Director of Finance (£151 Officer); and Service Director Regeneration and Culture (Client lead for Berneslai Homes);**
- 2. A rent, non-dwelling rent, service charge and district heating kWh increase of 4.8% in line with the Government's Rent Cap;**
- 3. The 2026/27 Berneslai Homes Management Fee totalling £17.4M, inclusive of investments totalling £0.6M for an Enhanced Neighbourhood offer £0.4M, Love Where You Live Officer £0.1M, Awaabs Law Team £0.1M, plus Gypsy and Traveller Management fee of £0.1M charged to the General Fund;**
- 4. The Core Housing Investment Programme for 2026/27 totalling £55.2M (£28.8M Capital (Appendix 2) and £26.4M Repairs and Maintenance (Table 4));**
- 5. The Housing Added Value schemes for 2026/27 totalling £2.1M, consisting of £1M Building Safety Compliance, £0.3M Princess Street – Floor Replacement and £0.8M Environmental Estate Improvements;**
- 6. That work is undertaken during 2026/27 to identify capital programme savings reprioritisation or managed slippage of £4.5M p.a. for years 2-5 totalling £18M in order to balance the business plan over the 30 year period. (NB: pending any discussion on rent convergence).**

## **1. INTRODUCTION**

- 1.1** This report provides the 26/27 update of the Housing Revenue Account (HRA) 30-year Business Plan and the proposed 26/27 revenue and capital budget for the HRA together with updating the HRA Medium Term Financial Strategy (MTFS).

- 1.2 The business plan and budget are focused on delivering the Council's strategic priorities and working with Berneslai Homes, ensures that all legal and regulatory requirements are satisfied. This means ensuring that our homes meet decency standards, are safe and meet all compliance requirements, that our tenants can access a repairs and maintenance service which aligns to service standards and all other consumer standards are met.

#### Current HRA Financial Environment / Pressures and Strategic View

- 1.3 The Council's HRA continues to be, under increasing pressure due to a range of factors including but not limited to:
- Uncertain fiscal economic conditions and cost of living issue;
  - Material and construction inflation running at higher levels than CPI;
  - The historic 4-year rent reduction (2016-2020), resulting in ongoing lost base income to the HRA;
  - Non - cyclical inflation;
  - An increasing order book in relation to repairs and maintenance works and increasing disrepair claims;
  - The need for efficiencies in the HRA to meet longer term challenges;
  - An increased regulatory compliance framework due to central Government policy change (Social Housing Regulator); Awaab's law – Damp and Mould Legislation; MEES etc;
  - Increasing demands on local authorities to ensure that stock meets all fire and building safety legislation;
  - Ensuring that our homes are as energy efficient as possible, including longer term Carbon Net Zero aspirations;
  - Managed decline nationally of the HRA;
  - Children's social care, adults social care, homelessness and temporary accommodation pressures increasing;
  - Aging stock with some homes nearly 100 years old;
  - Continued roll out of Universal Credit resulting in pressures on rent collection.
- 1.4 Whilst new standards and requirements are welcomed by the social housing sector, they have placed additional financial burdens on the HRA, which were not considered when the self-financing model regime was introduced in 2012. These pressures are not expected to be reversed.
- 1.5 Housing is a long-term business – it would not be prudent to look at budgets over the short term. The plan is to put the HRA into the best possible position to respond to current demands, whilst at the same time undertaking a review of the housing service both to modernise the existing offer and respond to the challenges that continue to emerge. The key going forward is to look at prioritisation of resources and investment to ensure a joint overall Barnsley approach.
- 1.6 This aligns to the Capital Strategy, which requires Local Authorities to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability, and affordability.
- 1.7 The priorities for the future of council homes in Barnsley will be shaped during 26/27 and will require significant input from tenants and residents in Barnsley. This is included in the Councils' and Berneslai Homes joint workplan. It is essential that priorities strike a balance between existing services, investment in existing homes and opportunities for housing growth.
- 1.8 Note the dual ambition of social landlords which Barnsley subscribes to and that is the aim to deliver more and better social homes while ensuring existing homes are safe warm and decent. The HRA 26/27 30-year business plan has this at its heart.

*Rent and Social Rent Convergence:*

- 1.9 The Government have confirmed a 10-year rent policy for social housing commencing 1 April 2026, allowing for annual rent increases of CPI + 1% for the next 10 years. This policy was welcomed to give and provides certainty around rent setting and business planning.
- 1.10 The Government have suggested that rent convergence could be re-introduced. In the November 2025 budget it stated that “To support additional investment in new and existing social housing the Government consulted on how to implement Social Rent convergence over the Summer. Convergence would allow rents for Social Rent properties that are currently below ‘formula rent’ to increase by an additional amount each year, over and above the CPI +1% limit, until they ‘converge’ with formula rent. While the Government remains committed to implementing Social Rent convergence, it is important to take the time to get the precise details right, taking account of the benefits to the supply and quality of social and affordable housing, the impact on rent payers and affordability. The Government will respond to the consultation in full and announce a decision about how Social Rent convergence will be implemented in January 2026, before the launch of the SAHP. The Government also remains committed to the 10-year rent settlement for 2026-36 announced at SR25, which will permit social housing rents to increase by CPI+1% per annum.”
- 1.11 The Council awaits detailed policy and budget announcements (post the writing/modelling of the Council’s HRA business plan around rent convergence) and therefore has decided **not** to reflect it in the 26/27 HRA Business Plan.
- 1.12 In relation to rent convergence, this would effectively permit additional weekly increases in rent of £1 or £2+ for properties currently below formula rent. The £1 or £2 were the figures used in the consultation, but the outcome may be different and will not be known until January 2026. This mechanism is intended to align rents more fairly across similar properties. The approach is designed to be more equitable than blanket increases, targeting only those tenants paying significantly lower rents. Rent convergence at £1 would add £5M to the Council’s rent base over a 10-year period and rent convergence at £2 would add £5M to the Council’s rent base over a 5-year period.
- 1.13 Table 1 compares savings/re-prioritisation scenarios based upon differing rent convergence options, the proposed capital programme and available HRA resources. It illustrates how reprioritisation is needed over the medium term regardless of the level of rent convergence and that needs shift each year depending on if, and to what extent, convergence is pursued. Modelling of the rent convergence impact indicates if introduced, that this will provide a potential opportunity for longer term investment in later years of the plan.

**Table 1: Stress Test**

<b>Stress Test – Savings / Re Prioritisation to be Identified to Balance Capital Programme</b>						
<b>Rent Convergence Impact</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5 Years</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Zero Rent Convergence	-	(4.500)	(4.500)	(4.500)	(4.500)	(18.000)
£1 Rent Convergence	-	(3.250)	(3.250)	(3.250)	(3.250)	(13.000)
£2 Rent Convergence	-	(2.250)	(2.250)	(2.250)	(2.250)	(9.000)

*Legislative landscape:*

- 1.14 The Government are committed to ensuring an effective and stable regulatory regime and have introduced new legal protections for tenants through Awaab's law and modernised MEES. The Social Housing regulator also plays its part and to note Barnsley currently have a positive C1 rating.
- 1.15 MEES currently states that the minimum EPC (Energy Performance Certificate) is E, although the Government have set a target for minimum EPC C by 2030 for all properties. This requires a further £42M programme over the 5-year period to enable this to happen.
- 1.16 The Government and Council's net zero ambitions have not been factored into the business plan as there are currently too many unknowns and it is not currently affordable or deliverable within the plan.
- 1.17 Awaabs Law has been introduced to improve safety and quality in tenants' homes and specifically is in relation to damp and mould in phase 1. Roll out began in October 2025 and an investment was included in the 25/26 Business Plan to assist this, progress continues and the Council and Berneslai Homes are committed to ensuring that all stock is decent and in line with the law. Further phases will be rolled out in October 2026 and 2027 which may require additional resources. These will be quantified during 2026.
- 1.18 Following the 2024 Budget, there were welcome changes to the Right to Buy (RTB) scheme. These changes included gives greater flexibility around the profiling of the new build and acquisitions programme approved as part of the 24/25 HRA Business Plan Budget and for additionality for match as part of the 26/27 budget. In addition, reducing Right to Buy discounts to their pre-2012 levels, helping to protect Council stock longer term. This has resulted in a more positive 30-year outlook in terms of depleting stock numbers.
- 1.19 'Decent Homes 2' is on the horizon and could introduce new obligations for landlords in relation to the standards of housing stock. The Council currently operate the Barnsley Homes Standard to ensure decency. This will be under review during 26/27 as the landscape develops, this also links to consumer expectations and the TSM's.

*Neighbourhood wrap around support:*

- 1.20 A key priority has been identified in relation to wrap around neighbourhood support. Therefore, the business plan proposes to invest £0.4M into a new team to improve this offer alongside an additional £0.1M investment in relation to the Council's Love Where You Live Programme. A programme will be developed in 2026/27, increasing the number of neighbourhood officers and therefore reducing their average patch size. This will increase capacity for early intervention, visibility on estates, the frequency and quality of estate walkabouts and, the development of estate-based action plans with members and tenants alongside local KPIs to improve transparency and accountability. Supported by the introduction of new IT there will enhanced triaging and identification of vulnerable tenants, new tenant follow up contacts, ASB intelligence gathering, enhanced stepdown plans following intensive support and strengthened resilience arrangements for vulnerable customers. The enhanced offer will have a positive impact on community cohesion, quality neighbourhoods, access to services and tenancy sustainment.

*Stress Testing and Business planning:*

- 1.21 The essential task of business planning is to ensure that expenditure required to keep assets operational, compliant and generating net income can be financed throughout the whole term of the plan (generally exemplified through a deliverable stock condition survey/profile). Also, that the services required to be delivered can be financed to the level and standard expected by service users and regulation, and finally that any debt attached to the HRA assets can be financed and managed within the plan.

- 1.22 The Council stress tests the HRA Business Plan and applies sensitivity analysis to assess the impact on the plan and help the Council adapt to various situations. This is more important than ever due to the current unknowns around rent convergence, new build, acquisitions, RTB, inflation, local and national priorities and the wider socio-economic environment.
- 1.23 The sector risk profile has been considered in the building of the business plan, and this assists governing bodies in social housing navigate challenges and make informed decisions.
- 1.24 The investment cost per property over Barnsley's 30-year plan is c£0.070M per property, the Savills' industry standard average including London is c£0.060M per property. As part of the forthcoming data review this is to be reviewed by Berneslai Homes in conjunction with the Council.
- 1.25 Section 2.8 of this report, delves into the future of Council Housing within Barnsley and comments on external reviews undertaken, rent convergence and the SAHP.

*Savings/Re-prioritisation:*

- 1.26 Nationally at least 50% of HRA's require significant savings to balance their business plans in the medium term and in Barnsley this is no different.
- 1.27 Therefore, Cabinet should note that future savings or reprioritisation of £4.5M p.a. for years 2-5 totalling £18M is required to balance the plan. All programmes included are indicative and subject to review in the next business planning cycle.
- 1.28 However Barnsley has been able to prepare a balanced budget for 26/27, ensuing that investment is being made which best addresses local circumstances and is aligned to the robust stock data that we now hold. This is a positive position for Barnsley, allowing a focus on those areas that matter most to our tenants with an opportunity to best understand the implications of emerging pressures both locally and nationally. The Regulator found that Barnsley knows its stock and makes informed investment decisions; meeting required Consumer Standards under the new regulatory framework.

*Supporting the Council's wider challenges:*

- 1.29 The Council has also been able to support Children's Services in addressing accommodation needs for children leaving care (17/18+), via the development of a robust housing pathway to access general needs accommodation, where appropriate, and the acquisition of additional housing aligned to the needs of young people leaving care (smaller accommodation in sustainable locations across the borough).
- 1.30 In addition, the Council is strategically using its Housing Revenue Account (HRA) to support temporary accommodation (TA) as part of its broader homelessness prevention efforts. By repurposing existing council homes and acquiring new properties, the Council aims to reduce reliance on expensive and often unsuitable external placements such as hotels and B&Bs. The goal is to have around 70 HRA-funded TA units by April 2027 (currently 42), serving a range of vulnerable groups including families, single individuals, care leavers, and rough sleepers. This approach is supported by key strategies like the Homelessness Strategy 2023–2028 and the New Build and Acquisitions Programme.

## **2. PROPOSAL**

### **2.1 Opening Position**

#### Updated Financial Position

- 2.1.1 Table 2 below shows the budget as a result of forecast CPI levels and inflationary rent rises



originally included in the 25/26 Business Plan.

Financial Position Including Pressures [Pre-Mitigations]

**Table 2: Budget**

Housing Revenue Account	2025/26 Draft £M	2026/27 Draft £M	2027/28 Draft £M
<b><u>INCOME</u></b>			
Dwellings Rent	(84.172)	(86.062)	(87.135)
Non Dwellings Rents	(0.430)	(0.439)	(0.447)
Heating Charges	(0.407)	(0.415)	(0.423)
Other Charges for Services and Facilities	(0.505)	(0.515)	(0.525)
Contributions Towards Expenditure	(0.495)	(0.503)	(0.512)
	<b>(86.009)</b>	<b>(87.934)</b>	<b>(89.042)</b>
<b><u>EXPENDITURE</u></b>			
Repairs and Maintenance (Including Fees)	29.159	28.395	27.723
Berneslai Homes' Management Fee	15.940	16.259	16.584
Other Supervision, Management & Special Services	7.616	7.748	7.882
Rents, Rates, Taxes and Other Charges	0.316	0.322	0.328
Provision for Doubtful Debts	0.579	0.444	0.391
	<b>53.610</b>	<b>53.168</b>	<b>52.908</b>
<b>Net Cost of Services</b>	<b>(32.399)</b>	<b>(34.766)</b>	<b>(36.134)</b>
Capital Financing	32.399	34.766	36.134
<b>Base Budget</b>	-	-	-

**2.2 HRA Medium Term Financial Strategy (MTFS) Summary**

- 2.2.1 On 8<sup>th</sup> January 2025 the Council set a balanced HRA budget for 25/26 and a framework for delivering a balanced budget in 26/27. Table 3 describes the movement in the financial position from the previously reported baseline MTFS, including the impact of the review of key assumptions, together with updates in respect of previously agreed decisions and other fixed and ongoing costs. **Recommendation 1 refers.**

**Table 3: HRA MTFS Position 2026-28**

HRA MTFS	2026/27 £M	2027/28 £M	Comments
<b>Initial 2026/27 (Surplus) / Gap as of Feb 24</b>	-	-	
Rental Income & Service Charges	(1.489)	(3.974)	CPI+1% from 3% to 4.8% in 26/27 and from 2% to 4% in 27/28
Repairs & Maintenance	(1.966)	(0.484)	Change of approach towards a more planned R&M delivery method
BH Management Fee	0.411	0.604	CPI Variation from 2% to 3.8% in 2026/27 and from 2% to 3% in 27/28

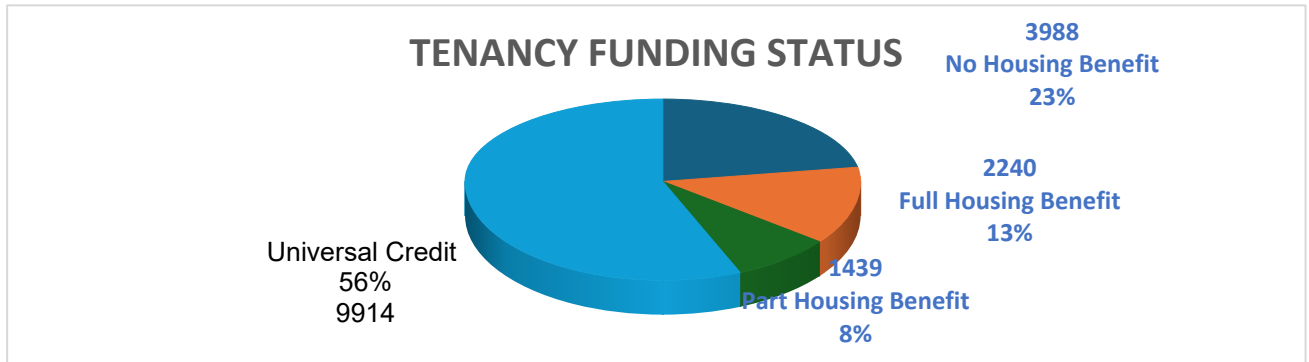
BH Management Fee	0.403	0.403	Rebasing adjustment for 25/26 pay award
BH Management Fee	0.065	0.065	Permanent LWYL investment
BH Management Fee	0.381	0.381	Enhanced Neighbourhood Offer
BH Management Fee	0.111	0.111	Awaabs Law Team investment – permanent
BH Management Fee	(0.360)	(0.360)	Council Central Support Charges review
Other Supervision, Management & Special Services	(1.334)	(1.390)	Recharges review
Other Supervision, Management & Special Services	(0.100)	(0.100)	NEC Budget transfer to Management Fee
Capital Financing	2.069	2.241	MRR & Depreciation realignment
Other Costs	(0.283)	-	Bad Debt review
Interest Payable	2.092	2.503	Treasury Management (Interest charges)
<b>Revised (Surplus) / Gap</b>	<b>-</b>	<b>-</b>	

## 2.3 Rent and Service Charges

### Rental Income

- 2.3.1 The Government's rent policy is to allow local authorities to raise rents annually by a maximum of CPI + 1% until 35/36 when this will be reviewed, this report proposes an increase of 4.8%. **Recommendation 2 refers.**
- 2.3.2 Members should note that for the Council to be able to set a balanced HRA budget for 26/27 and allow for a continuation in existing levels of work and priority investments in relation to decency and compliance a 4.8% rent increase is required. **(Refer to 1.3)**
- 2.3.3 From a tenant's perspective, an increase of 4.8% would represent an average increase of £4.48 a week (52 weeks); increasing the average weekly rent from £93.35 to £97.83.
- 2.3.4 The pie chart table below highlights how tenants pay their rents.

**Figure 1: Tenant Funding Status**



Non-Dwelling Rents, Service Charges and Heating Charges

2.3.5 The Council is proposing to increase non dwelling rents [garages etc.], service charges and the district heating kWh in line with the proposed rent increase of 4.8% for the 26/27 year. **Recommendation 2 refers.**

**2.4 HRA Revenue Budget**

2.4.1 The proposed revenue budget is set out below (table 4).

**Table 4: Proposed Revenue Budget**

	2026/27 Draft £M	2027/28 Draft £M	2028/29 Draft £M	2029/30 Draft £M	2030/31 Draft £M
<b><u>INCOME</u></b>					
Dwellings Rent	(87.520)	(91.057)	(94.868)	(97.803)	(100.708)
Non-Dwellings Rents	(0.446)	(0.460)	(0.469)	(0.478)	(0.488)
Heating Charges	(0.422)	(0.435)	(0.444)	(0.452)	(0.461)
Other Charges for Services and Facilities	(0.524)	(0.539)	(0.550)	(0.561)	(0.572)
Contributions Towards Expenditure	(0.511)	(0.525)	(0.534)	(0.544)	(0.553)
	<b>(89.423)</b>	<b>(93.016)</b>	<b>(96.865)</b>	<b>(99.838)</b>	<b>(102.782)</b>
<b><u>EXPENDITURE</u></b>					
Repairs and Maintenance	26.429	27.239	27.819	28.400	28.968
Berneslai Homes' Management Fee	17.270	17.788	18.144	18.507	18.877
Other Supervision, Management & Special Services	6.314	6.503	6.633	6.766	6.901
Rents, Rates, Taxes and Other Charges	0.328	0.337	0.344	0.351	0.358
Provision for Doubtful Debts	0.161	0.362	0.398	0.438	0.482
	<b>50.502</b>	<b>52.229</b>	<b>53.338</b>	<b>54.462</b>	<b>55.586</b>
<b>Net Cost of Services</b>	<b>(38.921)</b>	<b>(40.787)</b>	<b>(43.527)</b>	<b>(45.376)</b>	<b>(47.196)</b>
Capital Financing	38.921	40.787	43.527	45.376	47.196
<b>Base Budget</b>	-	-	-	-	-

**2.5 Revenue Budget Expenditure Detail**

2.5.1 Members are to note the HRA detailed budget above shows a balanced budget for 26/27.

## Re-prioritisation / efficiencies

- 2.5.2 As part of the Council's review of the 30-year HRA business plan, it has been identified that capital programme savings / re prioritisation or slippage will be required to maintain a balanced business plan of £4.5M p.a. for years 2-5 totalling £18M. Hence, all future programmes are indicative, and priorities are to be reviewed for the next business planning cycle, to ensure deliverability / sustainability. **Recommendation 6 refers.**
- 2.5.3 If rent convergence is added into the business plan in future, then these re-prioritisations/efficiencies will vary as, **1.14 refers.** Re-prioritisation is therefore paramount to the success of Barnsley's 30-year business plan going forward.
- 2.5.4 It should be noted that the current investment programme does not include Net Zero Carbon Targets and anything yet to be announced in relation to Decent Homes 2.

## Berneslai Homes HRA Management Fee

- 2.5.5 The proposed Berneslai Homes management fee is estimated at £17.3M for 26/27 and indicatively £17.8M in 27/28. The key movements total £1.3M. Table 5 details the adjustments made for CPI, investments and budget realignments. **Recommendation 3 refers.**

**Table 5: Adjustments for CPI, investments and budget realignments**

Category	Management Fee Movement	£'M
CPI	Inflation @ 3.8%	0.632
Realignment	Rebase CPI and Pay Award/NI Variation 2025/26	0.403
Realignment	NEC System	0.100
Realignment	BMBC Central Support Charges Review	(0.362)
Investment	LWYL	0.065
Investment	Enhanced Neighbourhood Offer	0.381
Investment	Awaabs Law	0.111
		<b>1.330</b>

- 2.5.6 In addition, Berneslai Homes also charge the Council's General Fund for the management of the Gypsy and Traveller sites, which totals a proposed £0.1M for 26/27. **Recommendation 3 refers.**
- 2.5.7 As part of the Council's annual review of the 30-year HRA business plan a review was conducted of all central support charged directly to Berneslai homes, resulting in reduced charges of £0.4M.
- 2.5.8 Therefore, the proposed Berneslai Homes Management Fee for 26/27 totals £17.3M.
- 2.5.9 There are some changes to the Berneslai Homes management fee for 2026/27. The housing management system (NEC) licence costs have been added to the fee. Additional resources have been added to enhance some of the requirements arising from the Regulator of Social Housing Consumer standards and the impact from Awaab's Law. Further resources have been added to enhance the work within neighbourhoods including linking to the Love Where you Live programme, details are provided in paragraph 1.20. The impact of Awaab's Law will be monitored throughout the year.

## Other Supervision, Management and Special Services

- 2.5.10 The HRA is charged for its share of General Fund services that it consumes in providing services to tenants. This has seen a net decrease by £1.4M because of the annual review of

the charging mechanisms, budget realignments and inflationary assumptions for pay awards.

## Repairs and Maintenance

- 2.5.11 Berneslai Homes have worked with the Council to determine a revenue repairs budget based on moving away from demand led to a planned repairs service.

As a result, the revenue repairs budget for 26/27 will total £26.4M which is a decrease of (£2.7M).

**Table 6: Repairs Budget**

Repair Category	£'M
Responsive repairs	(0.195)
Damp, Mold & Condensation	(0.085)
Compliance	0.111
Voids	0.200
Planned Repairs	0.257
Accumulated Backlog Works	(1.761)
Painting Programme	(0.843)
Berneslai Homes Overheads	(0.326)
BPS Responsive Repairs	0.360
BPS Professional Fees	(0.447)
	<b>(2.729)</b>

## Capital Financing

- 2.5.12 The costs contained within the Capital Financing charge to revenue reflects the following elements:

- Debt management expenses which are a contribution towards the overall Council cost of managing the debt portfolio;
- Interest payable on existing debt and debt premia on debt repaid early;
- Depreciation on dwellings and other properties. Unlike the General Fund these costs can be used in effect, to finance capital expenditure (Major Repairs Allowance or “MRA”);
- Major Repairs Reserve revenue top ups based upon the capital financing needed; and
- Repayment of debt which, consistent with prior years and the General Fund, is repaid when it falls due.

- 2.5.13 To note the Council’s treasury management team reviewed the HRA’s cash flow in line with the Council’s Financial Regulations. As a result, the debt charges to the HRA have been increased by £2M. Cash flows and reserves will continue to be modelled, and financing charges adjusted accordingly.

## 2.6 Capital Programme

### 2025 - 30 Council Housing Investment Programme

#### The Council’s Core Investment Programme

- 2.6.1 The Council’s Core Programme relates to the capital replacement of components [kitchens, bathrooms, heating systems, windows, external doors etc], thereby maintaining the regulatory requirements to meet the Decent Homes Standard from the Regulator of Social Housing. The Council also plans a series of supplementary investment works to support the Core Decency Programme in respect of supporting district heating networks, funding major adaptations to properties, providing works to void properties, and more fundamental structural works with the associated resources set aside totalling £28.8M. **Recommendation 4 refers.**

## Housing Added Value Investments

2.6.2 The Councils' housing added value new investments total £2.1M in 26/27. **Recommendation 5 refers.**

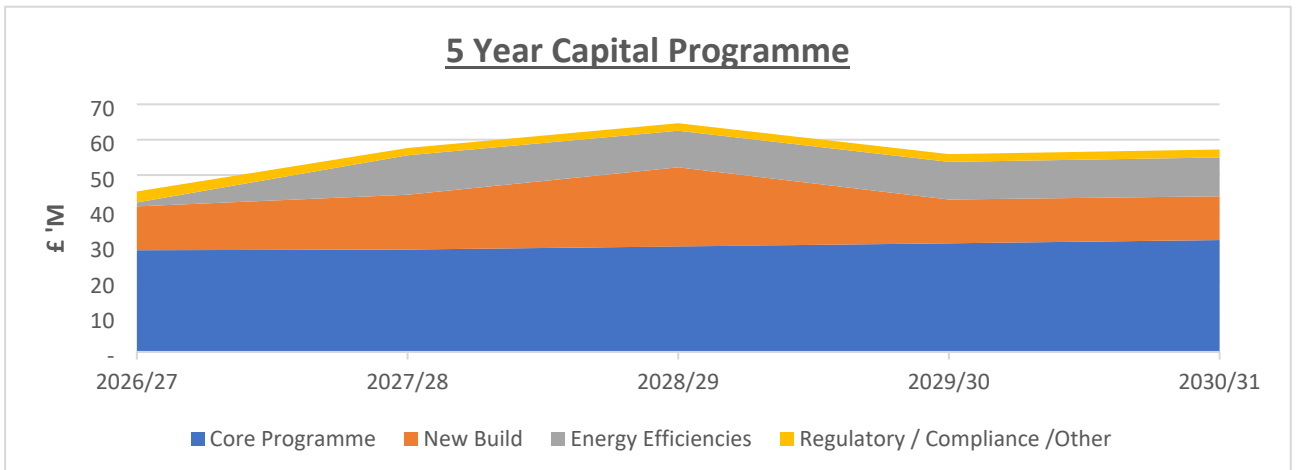
2.6.3 These include the previously approved £43M Housing New Build programme. Also included are indicative estimates for a further new build programme using SAHP/Homes England grant totalling £43M. **(2.8.29 - 2.8.42 refers)**. In addition, Berneslai Homes have provided indicative costs for a £42M EPC C programme to deliver on the Councils EPC target by 2030. **(Appendix 3 refers)**

### Summary

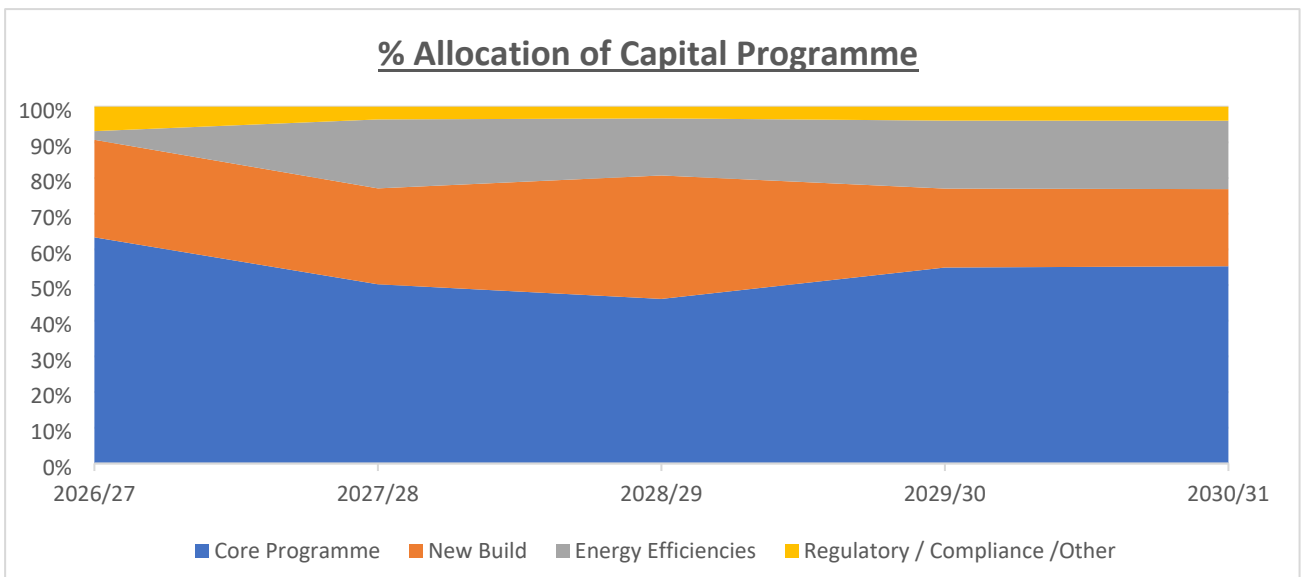
2.6.4 **Appendix 2** summarises the total capital investment into the housing stock, including both the Core Programme and Housing Growth / Added Value Investments, and shows the resources proposed to fund these programmes. **Appendix 3** shows the specific schemes included, relating to housing growth / added value investments.

2.6.5 The two figures below show the type of investments in terms of value but also in terms of % investment in existing stock and developing new stock.

**Figure 2: 5 Year Capital Programme**



**Figure 3: % Allocation of Capital Programme**

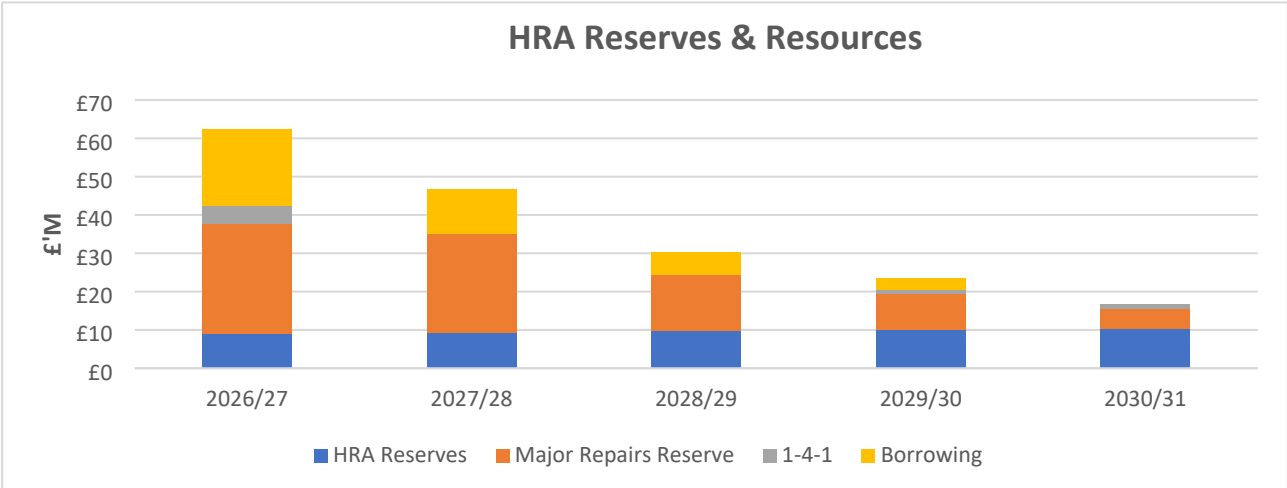


**2.7 Reserves**

The HRA Reserves Strategy

- 2.7.1 HRA reserves are reviewed as part of the business planning process with the objective of ensuring the 30 Year component data plan is affordable and reflective of the current risk environment within the HRA.
- 2.7.2 The HRA Business Plan must ensure that sufficient resources are set aside to replace all major components such as bathrooms, kitchens, windows, doors and roofs within the current housing stock over 30 years.
- 2.7.3 The Section 151 officer has advised that the minimum working balance held in reserve should be reviewed and be as a minimum, an amount reflective of 10% of the HRA’s modelled turnover for the life of the business plan. Furthermore, it is advisable to maintain the Major Repairs Reserve balance at no less than 5% of the average annual capital programme, calculated on a base of £30M per year adjusted for inflation.
- 2.7.4 Figure 4 shows the closing reserve and resource balances are within the advised levels. However, these balances incorporate the £18M reduced capital programme, realignment which is yet to be addressed (£4.5M p.a. 27/28-30/31).

**Figure 4: HRA Reserves and Resources**



**2.8 The Future of Council Housing in Barnsley**

Savills independent review – housing services and council housing finances

- 2.8.1 The Council commissioned Savills affordable housing consultancy to undertake an independent review of housing services and council housing finances in Barnsley.
- 2.8.2 The review focused on three main themes, finance, delivery model and the future of housing growth in Barnsley. Savills did not undertake a review of the Arms-Length Management Organisation (ALMO) model. To note the 25/26 30-year HRA Business Plan was reviewed.
- 2.8.3 The detailed Savills review is attached to the report at Appendix 4.

*Key Findings:*

- 2.8.4 Positively the report highlights effective financial management of the HRA by the Council, fundamentally being based on sound assumptions and that the integrity of the HRA ring-fence in place is strong. Nonetheless there are opportunities to strengthen trust, working

relationships and more effective governance and assurance between Berneslai Homes and the Council.

*Financial:*

- 2.8.5 The review found that Barnsley's HRA is financially well managed by the Council and that the officers responsible for this have strong relevant experience and knowledge.
- 2.8.6 The report recognises (as does the council) that prioritisation of resources and investment needs to take place beyond 26/27 informed via data, and consultations with Members and tenants. It also notes around pressures on the plan, particularly around repairs and maintenance, which is common to most HRA's across the country.
- 2.8.7 The report highlights the need for accurate stock condition survey and capital/repairs and maintenance programme modelling/profiling which Berneslai Homes are completing in detail before the 27/28 budget modelling cycle.
- 2.8.8 It is important to note that the review focused on the 25/26 Business Plan, which means some assumptions have moved on since the review e.g. the commitment to Consumer Price Index (CPI) plus 1% for 10 years. These changes have been reflected in the 26/27 Business Plan.
- 2.8.9 The report notes issues around Berneslai Homes financial controls particularly in relation to the 24/25-year end and movements in repairs totals between forecasts and outturns. An action plan has been put in place to address these issues by Berneslai Homes. Also to note the report states greater transparency is needed around the management fee and, this has progressed during the 26/27 business planning cycle.

*Organisational and Stakeholder Review:*

- 2.8.10 The report highlights that there are robust arrangements in place between the Council and the ALMO and that there is a clear joint commitment to achieve the best for tenants and residents. It also highlights areas of tension and opportunities to improve, whilst acknowledging the effective partnership working that led to the Regulator of Social Housing positive C1 judgement.
- 2.8.11 The report highlighted the effective delegated relationship between the ALMO led by the Board and the strong clienting function of the Council. However, a shared vision should be developed as to how the governance accountability relationship could work better in future. It also notes that the role of the ALMO Board has the potential to be strengthened to enhance the Board and clienting governance arrangements. An action plan is currently being pulled together jointly between the Council and Berneslai Homes.
- 2.8.12 Members should note that in an effective ALMO delegated relationship led by the board, there is a need for a robust client function, and the Council always needs relevant assurance as landlord. A design for how that might look in Barnsley should be agreed by the Council and Berneslai Homes, and a clear plan generated to move towards it.

*Housing Growth:*

- 2.8.13 The report highlights the positive approach to new build and acquisitions within the Borough, options for future growth and models for delivery, as the new build story develops both nationally and locally.
- 2.8.14 New homes and growth by acquisition has been a relatively positive story in Barnsley, with 207 new properties delivered and a plan for further £43million of investment for the acquisition of 200+ new homes and that Barnsley Council is in a good place to respond to challenges and take advantage of opportunities that may arise.



2.8.15 The following are key areas for Barnsley to continue to influence the growth agenda:

- Continue to work with South Yorkshire partner authorities and the Mayoral Combined Authorities (MCA) to develop a South Yorkshire wide programme for council housebuilding; push for regeneration and redevelopment schemes to feature strongly within the new Social and Affordable Homes Programme (SAHP);
- Continue to argue for higher standards to be applied to new build and development schemes; and engagement with other authorities to campaign for realistic long-term sustainable funding for the existing stock to ensure that headroom is available for investment into new homes;
- Critical for Barnsley, is the capability and capacity to deliver on the growth agenda for the borough whilst also meeting the needs of the existing stock, particularly in the context of Decent Homes Standards, Minimum Energy Efficiency Standard (MEES) and Awaab's Law

#### Savills Asset Data Review

2.8.16 A parallel review was also commissioned around Asset Data.

2.8.17 The review found that there is good survey coverage (86% over last 5 years), however in some areas more detailed coverage is required (i.e. high-rise blocks).

2.8.18 It was noted that a key risk is data quality and how this needs to support the business planning process and prioritisation.

2.8.19 The review noted a clearly prioritised investment programme will be required. Delivery against need and cost v target, is the key assurance metric rather than just spend v budget.

2.8.20 Savills recommend a periodic independent representative sample to validate the data and associated financial plan around repairs, maintenance and the capital programme. Given the level of work now being done around the survey data, such an independent test to increase assurance should be considered at the appropriate point. This will also support stress testing for Decent Homes 2 which is on the horizon.

#### Savills Property Repair and Improvement Partnership (PRIP) Review

2.8.21 Savills were also tasked with reviewing the PRIP contract to assess the Repair and Maintenance delivery model and recommend strategies to enhance performance, improve customer service, and ensure value for money.

2.8.22 After the review, Savills stated that the PRIP contract's fundamentals are sound, but some informal practices should be revised.

2.8.23 An action plan is being developed with Berneslai homes to focus on the following priorities

- Priority 1: Reform repairs process to maximise right first-time delivery
- Priority 2: Standardise use of rates and reduce subcontracting
- Priority 3: Review contractor overheads
- Priority 4: Rebalance delivery between responsive and planned works
- Priority 5: Clarify and restructure governance between all parties.

#### Rent Convergence

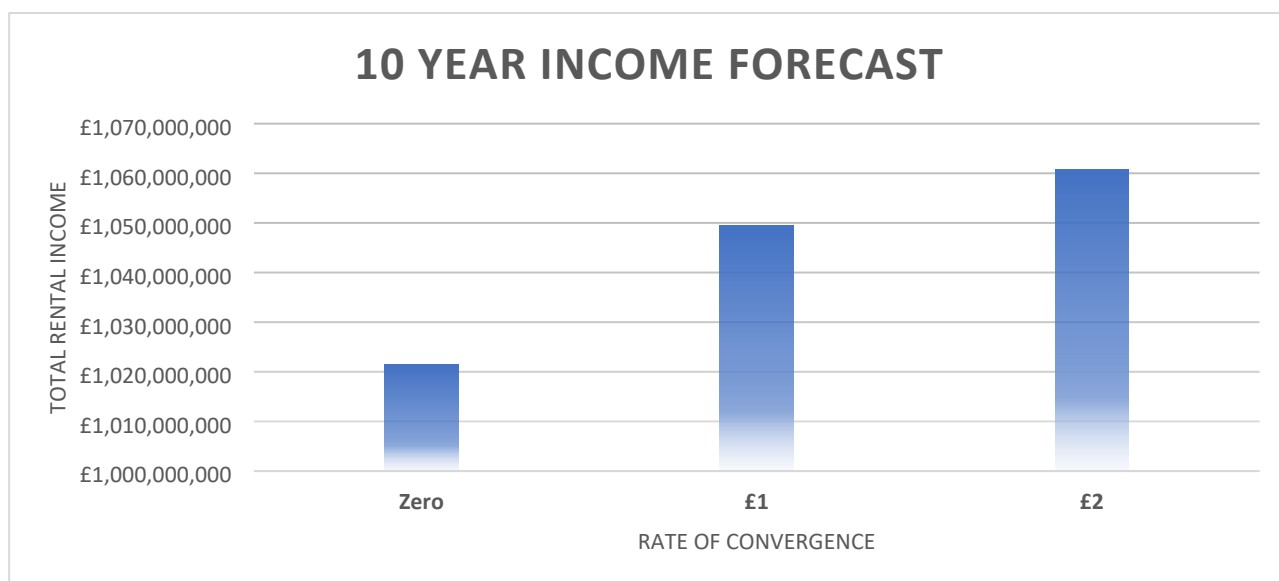
2.8.24 As 1.10-1.14 refers, the future of Council housing in Barnsley will be affected by the Government's future guidance in relation to rent convergence. Going forward if rent

convergence was included in the business plan, it would only provide limited opportunity for investment (dependent on increase) from 31/32 onwards and efficiencies or re-prioritisations as 1.14 refers would still be required in the medium term.

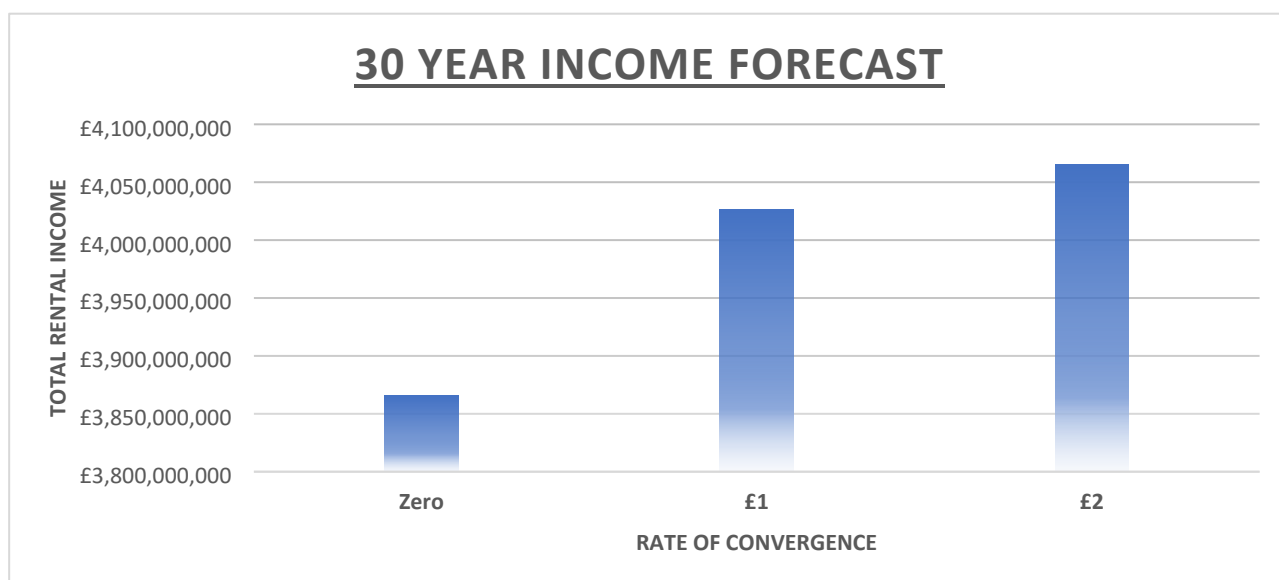
2.8.25 Rent convergence at £1 would add £5M to the Council's rent base over a 10-year period and rent convergence at £2 would add £5M to the Council's rent base over a 5-year period, this income would help support the business plan going forward.

2.8.26 The two figures below illustrate the total additional income anticipated for the Housing Revenue Account (HRA) over 10-year and 30-year periods. Over a 10-year period, a convergence rate of £1 would generate an estimated £28M, while a rate of £2 is projected to yield approximately £39M.

**Figure 5: 10 Year Income Forecast**



**Figure 6: 30 Year Income Forecast**



*Social and Affordable Housing SAHP 2026-2036 (New build and acquisitions):*

2.8.27 The SAHP represents the largest investment (£39 billion) in social and affordable housing in a generation and will help contribute to the Government's commitment to delivering 1.5 million homes nationwide (26/27 to 35/36).

- 2.8.28 The new programme will also look to ensure that 3 in every 5 new homes delivered are for social rent (180,000 of the 300,000 new affordable homes) alongside supporting delivery of specialist and supported housing (no fixed target), community-led and rural housing and enabling an increase in council house building.
- 2.8.29 Homes England will manage at least £27.2 billion of funding. The agency will continue to work closely with regional leaders and mayors in delivering the programme.
- 2.8.30 The MHCLG's approach for SAHP is in 5 steps:
- Step 1 – Deliver the biggest funding boost to grant funding in a generation
  - Step 2 – Rebuild the sectors capacity to borrow and invest in new and existing homes
  - Step 3 – Establish an effective and stable regulatory regime
  - Step 4 – Reinvigorate council housebuilding
  - Step 5 – Forge a renewed partnership with the sector to build at scale
- 2.8.31 The Council's strategic housing team are working closely with SYMCA to submit a regional/strategic partnership bid with an overall ambition to deliver 9,000 new affordable homes over the next 5 years. This bid has been successful with £700M of SAHP being earmarked for affordable housing delivery in South Yorkshire. This is imperative given the region's unique position as a quartet of the largest HRA stock holding authorities.
- 2.8.32 Barnsley's contribution is around 1,400 new affordable homes over the next 5 years, this links to the allocated sites in the Local Plan that are anticipated to come forward in line with the Housing Trajectory and the Council's own pipeline linking with the Asset Disposal Strategy. It is anticipated that Local Plan sites will deliver a mix of S106 affordable units and additional affordable units which would traditionally be delivered as open market housing. Officers have identified priorities including strategic masterplan sites at Royston, Carlton, Hoyland North and Hoyland South.
- 2.8.33 The SAHP does not provide anticipated grant rates for new build or regeneration schemes, but states that Homes England will provide "flexibility on grant rates to enable delivery of homes that are more expensive to build". Depending on grant rates per unit, we anticipate that this will allow a significant increase to the 200 new affordable homes already planned for in the HRA.
- 2.8.34 The SYMCA authorities agreed with the aspiration to deliver 60% of new affordable homes as social rent with 40% for other affordable housing products including Affordable Rent and Shared Ownership models. The emphasis on social rent aligns with the HRA which continues to charge tenants social rent rather than affordable rent at 80% of local open market rents, which are notably higher in the west of the borough.
- 2.8.35 There is a continued push for regeneration and redevelopment schemes to feature strongly within the SAHP and therefore within the integrated settlement for South Yorkshire.
- 2.8.36 Additionally the Council will push for Homes England and the SAHP to assist in developing the capacity and resourcing within the LA to be able to assist in achieving the plan.
- 2.8.37 Due to the SAHP announcement, included in the Council's business plan is an additional to the £43M New Build and Acquisitions Strategy to deliver a further 200+ new homes into the HRA. This will be worked on during 26/27 and developed further through close working with SYMCA (Table 7).

**Figure 7: Housing Growth Forecast**

<b>New Build Modelling</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>Total</b>
<b>Existing New Build / Acquisition</b>	24	40	52	42	42	-	-	-	<b>200</b>
<b>Indicative Homes England New Build</b>	-	-	-	20	45	45	45	45	<b>200</b>
	<b>24</b>	<b>40</b>	<b>52</b>	<b>62</b>	<b>87</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>400</b>

2.8.38 Other grants such as the Council House Support Fund (CHSF) and the Local Authority Housing Fund (LAHF) also support the position.

2.8.39 During 2024 Barnsley Council joined the trio of other South Yorkshire authorities in signing up to a national lobbying campaign headed up by Southwark Council entitled “HRA national funding issues – 5 solutions from the largest Council landlords”. There has been some progress towards some of the 5 key recommendations, with the movements in RTB policy, rent convergence and SAHP. However, there is still more to be done and the Council remains in full support of the 5 key recommendations.

- Establish a new fair and sustainable HRA funding model;
- Reform unsustainable RTB policies;
- Remove red tape on the affordable home’s programmes and other funds;
- Announce a green and decent homes programme;
- Fund the completion of new council homes.

2.8.40 For context the National Federation of ALMO’s (NFA) 2024 study stated the only sources of money into the system are more income (rent increases), more grant, new income sources (i.e. from net zero initiatives / new service charges), or to nationally reduce / write off HRA debt, not to increase borrowing.

**3. IMPLICATIONS OF THE DECISION**

**3.1 Financial Implications -**

3.1.1 Consultations have taken place with representatives of the Director of Finance (S151 Officer) in the drafting of this report.

3.1.2 The proposed budget is based on a rent increase of 4.8% for 26/27. This means that the Council can continue to provide decency and adhere to regulatory requirements in 26/27.

3.1.3 Due to the uncertainty surrounding rent convergence and its potentially significant impact on available resources within the HRA, it is recommended that only the 26/27 revenue budget and capital programme be formally approved through this process. The proposed major investments in new build and EPC C initiatives will also undergo review during the year as part of a wider refresh of the business plan priorities aligned with rent convergence considerations.

3.1.4 The decent homes capital programme for approval in 26/27 totals £30.9M split between the core programme (£28.8M) and Housing Added Value (£2.1M) which covers Regulatory Compliance and Environmental improvements.

- 3.1.5 The total estimated cost of the core capital programme (including 25/26) is £334M. This is unaffordable over the 5-year period and requires a review to reprioritise or defer the proposed programme by £18M. This amount could reduce dependent on the decisions taken around rent convergence.
- 3.1.6 The Local Government and Housing Act 1989 requires the Council to maintain a Housing Revenue Account in accordance with proper practices. The Council must approve a budget for the HRA that does not go into deficit.
- 3.1.7 Notice of changes to rent must be given to tenants, giving at least 28 days' notice of the changes coming into force which means that the notice must be in their physical possession no later than 2nd March 2026.
- 3.1.8 These budget proposals ensure that services to tenants and capital investment to improve housing stock and increasing the number of properties can be delivered. This report enables the Council to fulfil those statutory obligations.

## 3.2 Risks

- 3.2.1 Key risks to the financial viability of the social housing model in Barnsley are described at 1.27 of this report and throughout the HRA outlook section.
- 3.2.2 The HRA is heavily reliant on Berneslai Homes managing the Responsive Repairs and Capital Replacement Programmes in line with the resources allocated in this report as well as planning a fully deliverable programme over the medium to long term period.
- 3.2.3 Consumer standards must be upheld and there are risks in not ensuring that all our homes remain safe, meet all regulatory and compliance standards and that repairs are undertaken in line with our set policies, which must also consider the vulnerabilities of our tenants. The Council is at risk of regulatory or legal action should there be referrals to the regulator, or negative outcomes linked to the Housing Ombudsman Code in terms of complaint handling and maladministration. The Council has a robust assurance framework in place to monitor compliance across all areas of the consumer standards including a compliance dashboard, complaints dashboard and annual lettings reports.

## 3.3 Legal

- 3.3.1 The Council is required by law to maintain a HRA as a ring-fenced account, ensuring that all income and expenditure relating to the management of the Council's housing stock is properly recorded and that the HRA does not go into deficit. This duty arises under the Local Government and Housing Act 1989 (section 76), the Housing Act 1985 and associated regulations. The Council must comply with the requirements of the Regulator of Social Housing, including the Consumer Standards and Rent Standards, and ensure that all decisions taken in relation to the HRA budget and capital investment programme are consistent with these statutory obligations.
- 3.3.2 Whilst the Council has a service agreement with Berneslai Homes for the management and maintenance of stock, the entity is wholly owned by the Council. Accountability, as the owner of the stock (and ultimate landlord to our tenants) and as Principal Accountable Person under the Building Safety Act 2022, sits with the Council. Failure to meet regulatory requirements under the regulator's Consumer and Rent Standards or relating to building and fire safety within our stock, could result in legal action being taken against the Council.

## 3.4 Governance

- 3.4.1 Item 3(c) Part 2 of the Council constitution provides for cabinet to exercise the following function at section (i) To approve matters that fall within the definition of a Key Decision.

A key decision is defined in Part 5g of the Council constitution and includes any decision which will result in income, expenditure, or savings, with a gross full year effect of £500,000 or greater. This report requests cabinet to approve a capital spend above £500,000 and not included within a previous budget, this is a Key Decision.

### 3.5 **Equality**

3.5.1 A full Equality Impact Assessment (EIA) will be completed following the finalisation of the Budget and Berneslai Homes Strategic Plan and Business Action Plan 2026/27; ensuring actions and activities align with the Berneslai Homes Equality, Diversity and Inclusion Strategy and Resident Insight and Engagement Strategy within the Strategic Plan. Investment in stock as noted within the report, will support the provision of additional homes that meet the needs of older people, people with disabilities, larger families, single people, and couples. The Council and Berneslai Homes will continue to engage with our tenants and communities to make sure that our homes continue to address need.

### 3.6 **Sustainability**

3.6.1 Zero carbon is one of the objectives of the Berneslai Homes Strategic Plan and includes the actions that Berneslai Homes will take to assist achieving the zero carbon targets as a company in line with their Sustainability Strategy. The management and maintenance of the Council's c18,000 stock will need significant focus, investment, and strategic asset management if it is to increase the energy efficiency of all homes to an average of SAP rating C or above by 2030. A key focus for 26/27 is to ensure that Berneslai Homes use the robust data collected via the 100% stock condition survey and Energy Performance Certificate (EPC) programme, maximising the use of the NEC and SAVA IT, to inform a full retrofit plan (which embeds retrofit works into existing programmes, where possible) and ensures, that the Council and Berneslai Homes are best placed to access funding opportunities for insulation and renewable technologies to support the HRA.

3.6.2 The Sustainability Wheel shows a strong and positive impact on homes, communities and creating quality neighbourhoods in line with B2030 and thus scores green on all areas. The Sustainability Wheel shows a positive impact from the development/retrofit of quality of housing, energy use, renewable energy production and reduction of fuel poverty. These can be linked to the investment in existing stock as highlighted within the HRA budget proposals. Retrofit installation and building new homes increases construction waste and pollution in the short-term; however, these should be offset by the reduction in the use of energy once completed and the reduction in emissions via renewable energy sources.



3.6.3 Working with tenants to encourage recycling and to look after greenspaces should both reduce waste and improve biodiversity; particularly if our estate green spaces are used to promote opportunities for rewilding, the development of tiny forests and district heating schemes. There are also opportunities to make better use of estate car parks and garage sites to provide EV infrastructure and charging points.

3.6.4 Finally, social housing providers have a real opportunity to develop retrofit programmes at significant scale to encourage local supply chains, training and development opportunities for green industry.

### 3.7 Employee

There are no issues arising directly from this report.

### 3.8 Communications

Communications and Marketing will work in partnership with Berneslai Homes to communicate the outcomes of this report through their established channels. Berneslai Homes will use their established channels to engage with their tenants who will be directly affected by the proposed capital works.

## 4. CONSULTATION

4.1 Discussions have taken place with the Director of Finance (S151 Officer) and the Executive Director – Growth and Sustainability.

4.2 Consultations have and will continue to take place with Berneslai Homes Management team and tenants.

4.3 Consultations with local members on the Barnsley Homes Standard and on any other major capital scheme in their area will continue to take place.

4.4 Consultations on the Council Housing Capital Investment Programme have and will continue to take place with Planning, Strategic Transport, Highways, Property Services, Legal Services, and Internal Audit where appropriate.

## 5. ALTERNATIVE OPTIONS CONSIDERED

5.1 The budget has been developed with the aim of ensuring wherever possible, that existing approved policies and support of corporate strategies can continue to be delivered. From the many alternative approaches available the package of proposals in this report, is considered to best achieve this intention.

**6. REASONS FOR RECOMMENDATIONS**

6.1 This report enables the Council to fulfil HRA Budgetary statutory obligations for 26/27 financial year.

**7. GLOSSARY**

- EPC – Energy Performance Certificate
- EV – Electric Vehicle
- HRA – Housing Revenue Account
- SAHP – Social and Affordable Housing Programme
- TSM – Tenant Satisfaction Measures

**8. LIST OF APPENDICES**

- Appendix 1 – Prudential Indicators
- Appendix 2 – Council Housing Investment Programme
- Appendix 3 – Housing Growth / Added Value Capital Programme
- Appendix 4 – Savills Review

**9. BACKGROUND PAPERS**

N/A

**10. REPORT SIGN OFF**

<p><b>Financial consultation &amp; sign off</b></p>	<p>Ashley Gray – Strategic Finance Business Partner – Growth &amp; Sustainability – 08/12/2025</p> <p>Financial Implications contained within and throughout the report.</p>
<p><b>Legal consultation &amp; sign off</b></p>	<p><i>Andrew Perriman 19 December 2025</i></p>

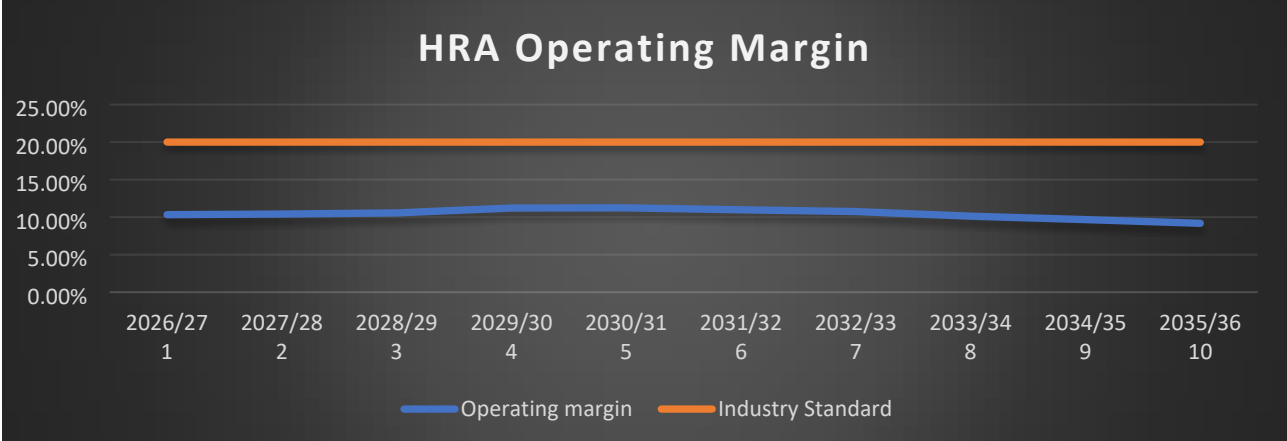
**Report Author: Neil Copley**  
**Post: Director of Finance (S151 Officer)**  
**Date: 10<sup>th</sup> December 2025**



**Appendix 1**

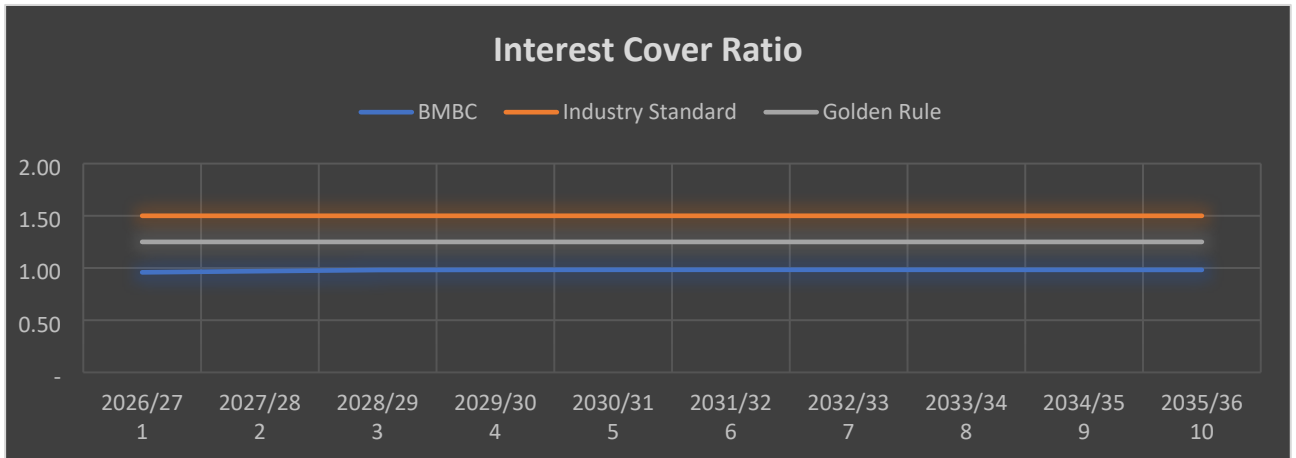
**Prudential Indicators**

The following graphs show the HRA's operating margin, net interest cover ratio, debt to turnover, debt per property, debt servicing ratio over the next 10 years. An additional indicator is also shown in relation to investment costs per property over a 30-year period.

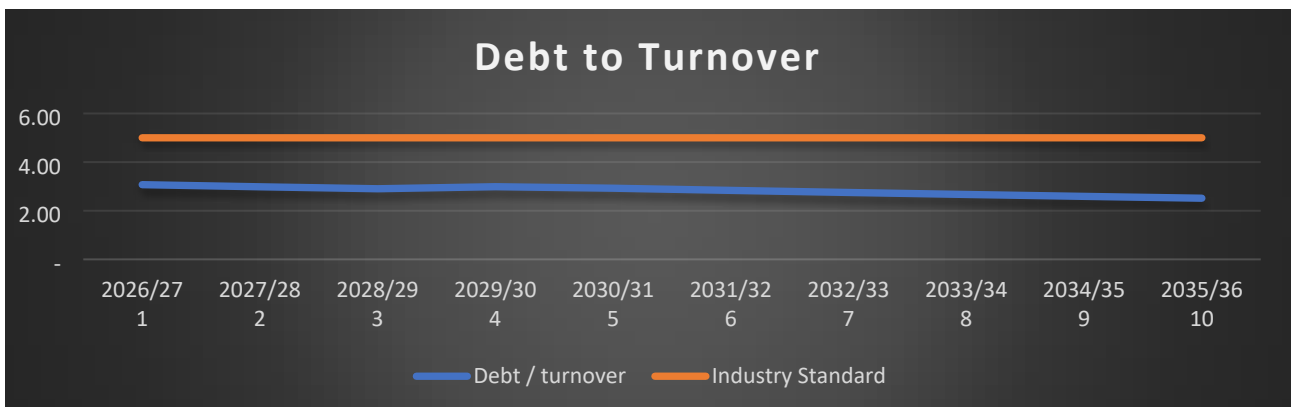


*This indicator measures the operating surpluses to turnover. This excludes capital financing charges but includes depreciation and contributions to the Major Repairs Reserve. It is a measure traditionally used in the housing association sector and there are thus robust benchmarks to measure ourselves against.*

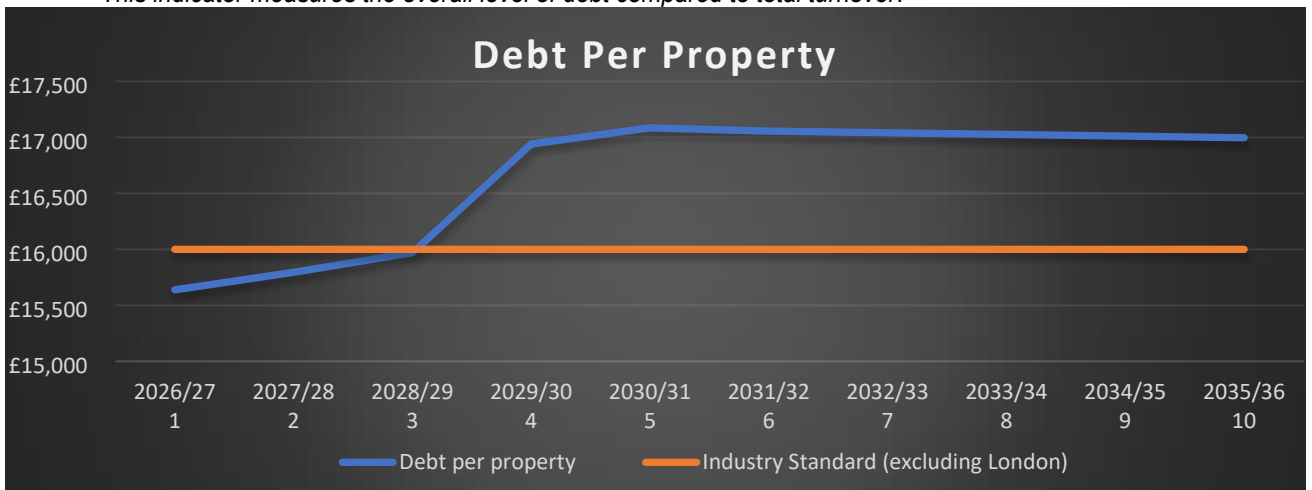
**To Note:** Unlike the private sector and Housing Association debts, the sustainability of HRA debt is not directly connected to the value of the assets acquired or developed or even the quantum of debt but to the cost of servicing the debt and the amount of rental income available to cover these costs after management and repairs have been accounted for. It is not prudent to borrow for any non income enhancing expenditure.



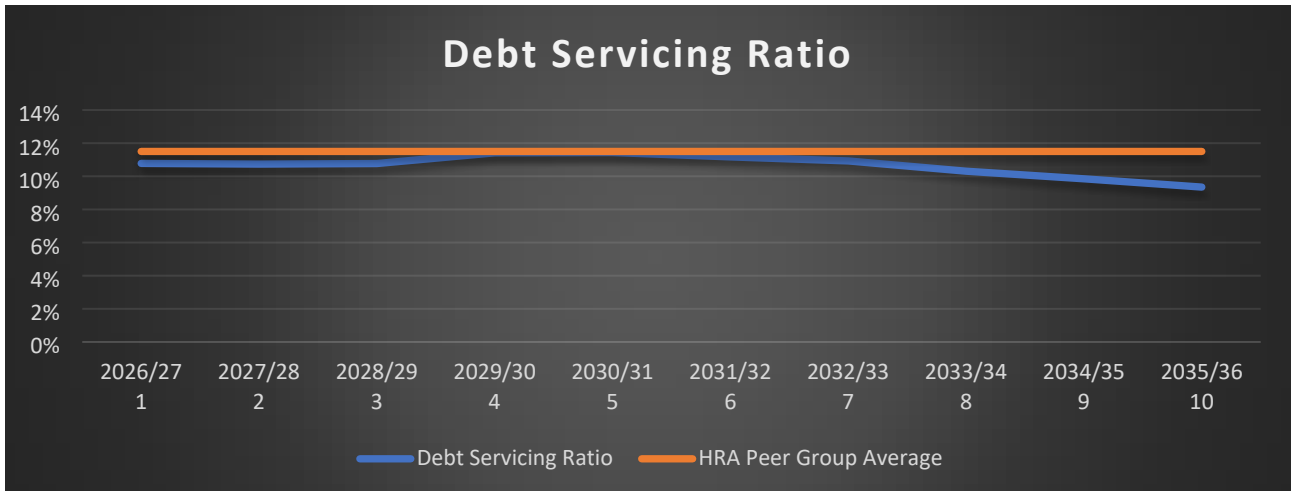
*This indicator measures the interest cost relative to operating surpluses before capital financing charges.*



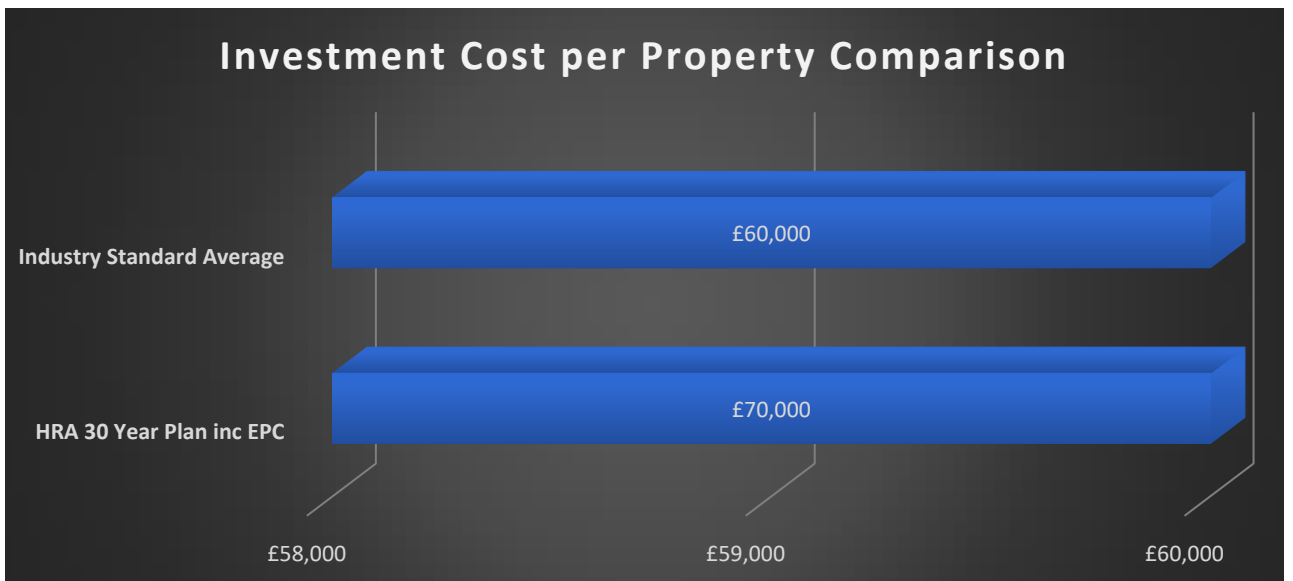
*This indicator measures the overall level of debt compared to total turnover.*



*This indicator measures the average level of debt per property.*



*This indicator measures the debt servicing ratio to ensure that there is enough revenue to cover interest payments, even in the event of unexpected cost increases.*



*This graph shows the total non-inflated planned works included in the business plan over the 30 year period divided by total stock at present numbers. The comparator is taken from Savills data based on the industry standard average including EPC C across the sector and includes London based properties.*

Appendix 2 - Council Housing Investment Programme 2026 - 2031

	2025/26 £M	Existing 2026/27 £M	For Approval 2026/27 £M	Existing 2027/28 £M	Indicative 2027/28 £M	Existing 2028/29 £M	Indicative 2028/29 £M	Indicative 2029/30 £M	Indicative 2030/31 £M	TOTAL (inc. 2025/26) £M
<b>Core Programme:</b>										
Component Replacements	7.126	-	14.941	-	15.389	-	15.851	16.326	16.816	86.449
Accumulated Works	2.800	-	-	-	-	-	-	-	-	2.800
Increased Demand	0.000	-	-	-	-	-	-	-	-	-
Heating Works	0.481	-	0.338	-	0.348	-	0.358	0.369	0.380	2.274
Major Adaptations	4.478	-	2.795	-	2.879	-	2.965	3.054	3.146	19.317
Structural Extensive / Voids	4.806	-	5.605	-	5.104	-	5.257	5.414	5.577	31.763
Other	6.202	-	5.071	-	5.226	-	5.383	5.544	5.710	33.136
	<b>25.893</b>	-	<b>28.750</b>	-	<b>28.946</b>	-	<b>29.814</b>	<b>30.707</b>	<b>31.629</b>	<b>175.739</b>
<b>Housing Added Value Priorities:</b>										
New Build – Homes England	0.000	-	-	-	5.500	-	12.375	12.375	12.375	42.625
New Build & Acquisitions	13.738	12.400	-	10.000	-	10.000	-	-	-	46.138
Regulatory / Compliance	2.426	1.000	1.360	1.030	1.030	1.061	1.061	2.185	2.251	13.404
Energy Efficiency – EPC C	2.100	1.101	-	1.100	10.043	-	10.344	10.654	10.974	46.316
Environmental Improvements	0.356	-	0.750	-	2.060	-	2.122	2.185	2.251	9.724
	<b>18.620</b>	<b>14.501</b>	<b>2.110</b>	<b>12.130</b>	<b>18.633</b>	<b>11.061</b>	<b>25.902</b>	<b>27.399</b>	<b>27.851</b>	<b>158.207</b>
Efficiencies / Re- Prioritisation	0.000	-	-	-	(4.500)		(4.500)	(4.500)	(4.500)	(18.000)
<b>Total Expenditure</b>	<b>44.513</b>	<b>14.501</b>	<b>30.860</b>	<b>12.130</b>	<b>43.079</b>	<b>11.061</b>	<b>51.216</b>	<b>53.606</b>	<b>54.980</b>	<b>315.946</b>
<b>Resources:</b>										
Major Repairs Reserve	(25.893)	(1.289)	(30.860)	(2.113)	(32.129)	(6.595)	(37.741)	(39.541)	(39.605)	(215.766)
Capital Receipts	-	-	-	-	-	-	-	-	-	-
1-4-1 Capital Receipts	(1.485)	(7.250)	-	(6.717)	(1.650)	(1.827)	(1.812)	(2.402)	(3.712)	(26.855)
HRA Reserve – Housing Growth	(10.568)	(0.262)	-	-	-	-	-	-	-	(10.830)
Borrowing	(5.011)	(5.150)	-	(2.750)	(5.450)	(2.639)	(3.000)	(3.000)	(3.000)	(30.000)
Grants & Contributions	(1.556)	(0.550)	-	(0.550)	(3.850)	-	(8.663)	(8.663)	(8.663)	(32.495)
<b>Total Resources</b>	<b>(44.513)</b>	<b>(14.501)</b>	<b>(30.860)</b>	<b>(12.130)</b>	<b>(43.079)</b>	<b>(11.061)</b>	<b>(51.216)</b>	<b>(53.606)</b>	<b>(54.980)</b>	<b>(315.946)</b>

<b>APPENDIX 3 - Housing Growth Capital Programme</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>TOTAL</b>
<b>New Build &amp; Acquisition</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Billingley View	0.193	-	-	-	-	-	<b>0.193</b>
St Michael's Avenue	0.013	-	-	-	-	-	<b>0.013</b>
Goldthorpe Market Phase 1	0.179	-	-	-	-	-	<b>0.179</b>
Goldthorpe pre-1919 Housing Strategy	3.000	-	-	-	-	-	<b>3.000</b>
LAHF	0.702	-	-	-	-	-	<b>0.702</b>
2024 - 2029 New Build / Acquisitions Programme	9.651	12.400	10.000	10.000	-	-	<b>42.051</b>
Homes England Supported New Build	-	-	5.500	12.375	12.375	12.375	<b>42.625</b>
	<b>13.738</b>	<b>12.400</b>	<b>15.500</b>	<b>22.375</b>	<b>12.375</b>	<b>12.375</b>	<b>88.763</b>
<b>Regulatory / Compliance</b>							
Fire Safety Budget - High Rise in Scope Buildings	1.000	1.000	1.030	1.061	1.093	1.126	<b>6.310</b>
Building Safety Compliance	0.899	1.000	1.030	1.061	1.093	1.126	<b>6.209</b>
Spandrel Panels	0.515	-	-	-	-	-	<b>0.515</b>
Asbestos Removal Aldham House & Royston	0.010	-	-	-	-	-	<b>0.010</b>
Princess Street - Floor Replacement	-	0.360	-	-	-	-	<b>0.360</b>
	<b>2.424</b>	<b>2.360</b>	<b>2.060</b>	<b>2.122</b>	<b>2.186</b>	<b>2.252</b>	<b>13.404</b>
<b>Energy Efficiency Measures</b>							
Installation of Solar PV	1.000	-	-	-	-	-	<b>1.000</b>
EPC C	-	-	10.043	10.344	10.656	10.974	<b>42.016</b>
EHDF	1.100	1.100	1.100	-	-	-	<b>3.300</b>
	<b>2.100</b>	<b>1.100</b>	<b>11.143</b>	<b>10.344</b>	<b>10.656</b>	<b>10.974</b>	<b>46.316</b>
<b>Other Housing Growth</b>							
Environmental Improvements	-	0.750	2.060	2.122	2.185	2.251	<b>9.368</b>
Lang Avenue Flooding Resilience Works	0.356	-	-	-	-	-	<b>0.356</b>
	<b>0.356</b>	<b>0.750</b>	<b>2.060</b>	<b>2.122</b>	<b>2.185</b>	<b>2.251</b>	<b>9.724</b>
<b>TOTAL - PER APPENDIX 2</b>	<b>18.618</b>	<b>16.610</b>	<b>30.763</b>	<b>36.963</b>	<b>27.402</b>	<b>27.852</b>	<b>158.207</b>

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# Barnsley MBC

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Housing Services Review  
Review of the HRA in Barnsley

Final Report  
September 2025

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## Headline Summary

1. Savills Affordable Housing Consultancy has been appointed to undertake an external review of housing services and council housing finances at Barnsley Council, with a focus on three “big picture” themes: finance, the delivery model (organisational review) and the future for housing growth. This draft report summarises our findings. The headline summary below captures the key points to arise from the review which has focused on financial pressures in the HRA, the interplay between the Council and its ALMO Berneslai Homes (BH) and prospects for growth.

### Financial review

2. Our review of Barnsley’s HRA business plan and financial model highlights that the functionality in place is robust and based on assumptions which are fundamentally sound. The conclusion from this would suggest that overall, Barnsley Council’s HRA is well managed and that the officers responsible for its management have strong relevant experience and knowledge. There is evidence that the integrity of the HRA ring-fence in place is strong.
3. The business plan model is bespoke to Barnsley and works effectively to support decision making. Additional functionality around sensitivity and stress testing would be advisable, particularly given the likelihood of what is expected to be a need for significant additional investment in the next few years compared to what is included in the current plan. Nevertheless, we understand that sensitivity and stress testing modelling of the business plan model is undertaken through a method external to the main model and is robust.
4. The pressures in the plan around expenditure on repairs and maintenance are common to almost all HRA authorities in the country. However, the model as currently set out is fundable and sustainable over 30 years due to what is in effect the smoothing of future capital investment needs; this would suggest that there is likely to be headroom for further investment going forward subject to the usual policy, economic and other factors that impact the HRA.
5. We have noted that the long-term capital investment profile within the plan has not yet been updated by Berneslai Homes to reflect the latest stock condition surveys although these now reach over 90% of the stock; the current total of £57,000 per property over 30 years is within, but at the lower end of, benchmarks and there is a risk that when the profile is refreshed, investment needs will go up significantly. It is essential that the long-term stock investment profile is up to date and incorporated within the business plan.
6. We have noted that rent increases within the plan are at CPI only from 2026 as the model was prepared before the Government’s October 2024 Budget, and that this will be updated iteratively to reflect current government policy (e.g. towards CPI+1% rent increases for 10 years that date), with the additional prospect of being able to converge rents to formula at a faster pace to make up the c £5m gap between actual rents and formula rents. We estimate this might generate additional £50million + into the business plan over the long term if maximum rent increases are applied according to policy.



7. We have compared operating costs, both gross and net of service income, with benchmarks based on actual costs reported in financial statements. Average costs at Barnsley are almost exactly in line with the national average of costs for authorities outside London. We therefore find no evidence to suggest that operating costs (which include both council and Berneslai Homes costs) are either above or below expectations.
8. Financial reporting within BH was subject to significant variance towards the end of the 2024.25 financial year, resulting in further work to understand the reasons for such variances, and acted to undermine confidence in financial reporting by and within the ALMO, as well as by the Council.
9. The BH management fee is negotiated annually and whilst part of an operating cost base that is within expectations, we have noted that there could be more transparency around the way in which resources made available to support the fee are spent by BH; greater transparency will support decision-making within the update of the business plan for 2026.27, particularly given the potential for increased stock investment needs.
10. There is a positive framework in place to manage financial and prudential indicators within the HRA, in line with best practice, including modelling which supports key metrics such as operating margin and interest cover.
11. A feature of the business plan is the reliance on explicit top-ups from revenue into the Major Repairs Reserve (MRR) to allow the financing of the capital programme on the existing stock. The plan is characterised as follows: total depreciation is budgeted at c. £12m pa, a figure which is well below benchmarks per property and towards the lower decile of depreciation charges nationally, however to note the actual figure for 2024.25 was c£22m; with top-ups made from revenue surpluses to support the programme making nearly double the level of depreciation. Therefore the Council should consider a realignment between depreciation and top-ups to the MRR (noting that this does not impact the total amount of revenue committed to capital funding within the plan). All capital expenditure on other items (development and acquisitions) is therefore financed from revenue, grants or borrowing in the plan, though we note there would not appear to be grant funding included within the plan. This approach therefore *de facto* prioritises investment into the existing stock from surplus revenue income, and whilst unusual is an entirely supportable position.
12. Notwithstanding the above, the business plan does provide for a nominal addition to stock annually beyond the forthcoming 5-year period, though this is an estimated contribution to reflect a longer-term ambition, and is relatively limited in nature.
13. There may be alternatives to view the way in which revenue surpluses are invested, particularly given the likelihood that more rent income will flow into the HRA in the next 10 years. This could inform a refresh of the way in which investment is prioritised within the business plan.
14. A review of the way in which debt costs are allocated to the HRA has highlighted that whilst the method currently being used is acceptable under regulation and has been agreed by the Council's s151 officer, the use of an alternative method could result in an option to charge additional interest (which we have estimated to be in the region of £2m) to the HRA to help finance the current HRA under-borrowing to the General Fund of c£80m. However, this would limit the future financial headroom within the HRA for enhanced investment.

15. The business plan will require a refresh for the forthcoming round of approvals; 2026 is the ideal starting point for this refresh given the progress on surveys in Barnsley, and government announcements on rent policy and the recent confirmation of consultation on a new Decent Homes Standard and the need to reach EPC C for the stock by 2030, although timings would suggest that the 2026.27 plan might be considered a “holding plan” whilst the longer-term Asset Management Strategy is developed.
16. We understand that the cost of achieving EPC C by 2030 (Minimum Energy Efficiency Standards or MEES) is not currently fully provided for within the business plan and this will need to be analysed alongside a general refresh to the investment profile driven by the stock survey.
17. We have identified the potential to develop a “Target Financial Model” for the HRA which represents the balance between investment in services, asset management of the existing stock and growth. Such a model would move away from the current basis of prioritisation and utilise resources on the basis that headroom is available to inform choices on future investment, representing what officers and members at Barnsley have termed a redefined offer to tenants; agreeing the basis for future prioritisation of investment is a key objective for all at Barnsley in the forthcoming period.
18. There is the opportunity to consult with engaged stakeholders to inform the prioritisation of resources in order to develop buy-in to the refreshed business plan and feedback received within the review process has highlighted the potential to consider a form of “Tenant Jury” to advise on how resources should be prioritised for investment in the future.
19. We have considered the approach to financial capacity planning at Barnsley, and as a matter of principle there is no right or wrong answer as to the best model employed, and the optimal approach for any ALMO authority would need to be seen within the political and cultural backdrop of the Council. Our report is intended to highlight some alternative approaches for consideration by the Council.

## **Organisational and stakeholder review**

20. We have been impressed by the clear sense of commitment from all those engaged to date and the overall shared endeavour to achieve the best for the service and for tenants and residents. We have no specific issues with any of the documentation we have seen and the overall structure for accountability and governance, other than the volume of meetings is large, across both the clienting and PRIP contract functions, potentially leading to some repetition in the governance process.
21. In reviewing the organisational, relationship and accountability factors at play in Barnsley between the Council and Berneslai Homes, we have also taken account of a parallel review that Savills is undertaking in respect of repairs, maintenance and investment and specifically the operation of the PRIP contract, as many of the issues and tensions highlighted within our report appear to be driven through that part of the relationship.
22. Whilst there is a widespread shared and common desire to provide services positively for tenants and communities within Barnsley, there has been some friction and tension within the relationships that require addressing.

23. The relationship could be characterised as having a “robust clienting process” though council officers might argue that resources are limited in being “too robust”; nevertheless, there is a feeling on all sides that the clienting of ALMO performance seems to take greater weight over the role of the ALMO board.
24. There is a widespread feeling towards positive performance for many areas of service delivery, for rent collection, on building safety, and front-line “on the ground” partnership working between council and ALMO officers. This was no doubt reflected in the recent C1 regulatory judgement.
25. There is a perceived lack of visibility from BH over the HRA business plan, we have seen evidence of workshops and sharing of the plan take place where the whole business plan is discussed but to note we have not reviewed the detail of these. There is a view that there has been a lack of visibility to council officers on BH’s finances and business plan, however it has been acknowledged that this is now improving. It is important that the Council works with BH to address these challenges together, and that BH officers are held accountable for how they address the operational challenges of the service.
26. Within PRIP, the split of functions between the Council, Wates and BH often leads to confusion as to who bears responsibility for what; this is subject to Savills specific and separate review, but it is noted that has informed much of the engagement and liaison between Council and BH – our sense is that the PRIP contract challenges have undermined the wider trust in relationships. For the purposes of this report, the parallel review has identified that the underlying principles within the PRIP contract are sound, however day to day working arrangements need to be reviewed – these will be reported on separately.
27. Senior leadership within the Council want to ensure that BH is providing best value – all stakeholders also want this – and it is important that best value is seen as an issue for both the Council and ALMO working together. This suggests therefore that the issues around the relationship are focused around just that... the effectiveness of relationships rather than anything fundamentally wrong with the basis for the ALMO model.
28. Council officers, particularly finance officers, feel they need more assurance and confidence in the way BH operates and the fiscal controls within the ALMO. Clearly also BH feel under pressure to respond to challenges when they perceive themselves not in possession of the full picture. This in turn has led to defensiveness on both sides and subject to greater clarity over roles, should be addressable through a commitment to joint working.
29. There is a feeling across council officers that the ALMO board could operate more strategically and less operationally; there are clear risks here in relation to the future role of the board taking a central and pivotal role in the assurance process.
30. Even in an effective ALMO delegated relationship led by the board, there is a need for a robust client function, particularly at times of financial challenge; however the nature and interplay between the roles of the client function and the board would appear to be the key to moving forward with a shared vision of how the governance and accountability relationship should work in future.

31. There is therefore consensus that with an ALMO in place, the role of the ALMO board should be more pivotal and central within the assurance framework than all agree that it currently is, and that the design of an “optimal” model is required; at the same time, it will take time for all to work towards building the confidence for that role to develop.
32. Work has been undertaken for Barnsley by surveyor/technical colleagues at Savills in relation to repairs delivery commencing in 2024. Priority improvements around the operation of repairs and maintenance were identified and reported to the Council and BH senior officer leadership around 12 months ago. These included the need for a comprehensive and costed picture of repairs, maintenance and investment need to be provided by BH to the Council, clarity around medium term delivery plans and clarity over operational and financial controls, roles and responsibilities.
33. There is a need for greater clarity regarding governance of repairs and capital investment (including within the PRIP contract) which would require a restructure of the governance between the housing client, finance function, Barnsley Property Services within the Council, and the management of Berneslai Homes, including BH Property Services. The key findings supporting this overarching priority resonate strongly with the feedback from officers engaged within this review.
34. In summary, from the perspective of business planning and asset investment relevant to this review:
  - a) The Council as client should be setting and agreeing the overall business and Asset Management plan, albeit that this is collaborative engagement between the Council and BH based on shared goals and objectives; to be clear, we would see no place for BH officers to prioritise investment that was not agreed by council officers in line with the strategic objectives of the Council.
  - b) BH should be focused on day to day-to-day prioritisation, risk management and the setting, monitoring and achievement of Performance Indicators and metrics for asset management and repairs.
35. The fact that there are now 90%+ surveys and no revised long-term investment profile added to and fully appraised within the HRA business plan tends to demonstrate the way things have gone wrong. It is BH's responsibility to provide the profile. In this context, it is perhaps understandable and appropriate for council officers not to want to fully delegate matters to the BH board and officers at a time when trust levels have been low, and there have been budget and financial variances.
36. In order to generate a further sense of “joint endeavour” whilst acknowledging that the ultimate responsibility sits with the Council, some of the committees and review groups between the Council and BH might better be rebranded (if not actually reconstituted) as working groups with a common purpose – one on common business planning for Council and BH officers feels essential given the sense of “refresh” to the HRA business plan for 2026, with the Partnership Board signing off both. We understand the basis for this is already in place and is likely to be one of the most critical engagements for officers on both sides given the requirement to refresh the business plan on a holding basis for 2026.27 and fully for 2027.28 onwards.
37. A design for how that might look in Barnsley should be agreed by the Council and BH, and a clear plan generated to move towards it, giving time for the issues around repairs and PRIP to be addressed. Joint working towards a refreshed business plan and Asset Management Strategy feels integral to support this development.

## Influencing Growth

38. Development of new homes and growth by acquisition has been a relatively positive story in Barnsley, with 207 new properties delivered and a plan for further £44million of investment for the acquisition of 200+ new homes.
39. In common with other authorities, including within South Yorkshire, cost pressures and challenges in delivery have led to programmes being deferred or scaled back and a general move to de-risk growth through acquisition rather than development. The approach to procuring development in Barnsley may have contributed to higher costs and lower viability, based as it has been on very high standards and a straightforward site-by-site contractor approach to procurement.
40. Best practice is moving away towards programme-based not site-specific and towards greater flexibility in engagement with the private sector.
41. The key alternatives for development are therefore around alternative procurement:
  - Development Agreement - with either developers or partner housing associations or both.
  - Programme Approach with smaller sites aggregated into an overarching programme let to a single developer contractor over an extended period.
42. We have identified the following key areas for Barnsley to continue to influence the agenda for growth:
  - a) Continue to work with South Yorkshire partner authorities and the MCA to develop a South Yorkshire wide programme for council housebuilding; this is a key opportunity that chimes well with many aspects of government policy with the right approach to partnership.
  - b) Push for regeneration and redevelopment schemes to feature strongly within the new Social and Affordable Homes Programme and therefore within the single settlement for South Yorkshire.
  - c) Continue to argue for higher standards to be applied to new build and development schemes, particularly coming through section 106, with the associated direct impact on grant levels and availability.
  - d) Critical for Barnsley also is the capability and capacity to deliver on the growth agenda for the borough whilst also meeting the needs of the existing stock, particularly in the context of Decent Homes Standards, MEES and Awaab's Law – engagement with other authorities to campaign for realistic and proportionate long-term sustainable funding for the existing stock is an essential component of this, to ensure that headroom is available for investment into new homes.

## Summary of Recommendations

- A. It is essential that the long-term stock investment profile is up to date and incorporated within the business plan, and includes the implications of recent consultations on an updated Decent Homes Standard and Minimum Energy Efficiency Standards, the latter in particular meaning the delivery of EPC C across the entire stock.
- B. The Council should consider a realignment between depreciation and top-ups to the Major Repairs Reserve as there may be alternatives to view the way in which revenue surpluses are invested, particularly given the likelihood that more rent income will flow into the HRA in the next 10 years; in turn this could inform a refresh of the way in which investment is prioritised within the business plan.
- C. The Council may wish to review its approach to the charging for internal borrowing in the context of the likelihood that there will be a greater need to borrow in the HRA than in the current plan.
- D. The Council could consider the concept of designing a “Target Financial Model” based around what appears to be a consensus to deliver a redefined offer to tenants; agreeing the basis for the future prioritisation of investment is a key objective for all at Barnsley in the forthcoming period.
- E. The Council and Berneslai Homes should consider how to engage extensively with tenants and residents in designing the future offer to advise on how resources should be prioritised for investment.
- F. There is consensus that with an ALMO in place, the role of the ALMO board should be more pivotal and central within the assurance framework than all agree that it currently is, and that the design of an “optimal” model is required; whilst it will take time to develop, we believe all should work together towards building the framework for that role to develop.
- G. In order to support a move in that direction, some of the committees and review groups between the Council and ALMO might be rebranded (if not reconstituted) as working groups with a common purpose and we have suggested that working together on the development of a refreshed HRA business plan would be an excellent basis for moving forward, building on the collaborative work already done; such a group could help visibility and transparency around the management fee for council officers and the HRA for ALMO officers.
- H. Our parallel review report on the PRIP arrangements contains a series of recommendations which are consistent with this report.
- I. The following are key areas for Barnsley to continue to influence the growth agenda: continue to work with South Yorkshire partner authorities and the MCA to develop a South Yorkshire wide programme for council housebuilding; push for regeneration and redevelopment schemes to feature strongly within the new Social and Affordable Homes Programme; continue to argue for higher standards to be applied to new build and development schemes; and engagement with other authorities to campaign for realistic long-term sustainable funding for the existing stock to ensure that headroom is available for investment into new homes.

## 1. Introduction and background

### 1.1. Introduction

Savills Affordable Housing Consultancy has been appointed to undertake an external review of housing services and council housing finances at Barnsley Council, with a focus on three “big picture” themes: finance, the delivery model and the future for housing growth.

The work is intended to inform taking forward the “Vision for Council Housing” in Barnsley, taking into account considerations around business planning, investment opportunities and constraints, value for money and benchmarking and effective stock management, in the context of the wider Council’s financial position.

The work has taken place from the middle of May to the end of August and as well as focusing on undertaking a review of the Housing Revenue Account (HRA) and HRA Business Plan, has also primarily focused on gaining insight into the views and experiences of senior officers and members within the Council and its Arms’ Length Management Organisation (ALMO), Berneslai Homes (BH). We have also cross-referenced the work Savills has been undertaking with and on behalf of the Council both in relation to the review of the delivery of repairs and maintenance around the PRIP (Property Repairs and Improvement Partnership) contract - a review which is ongoing - and in relation to advising the South Yorkshire Mayoral Combined Authority (SYMCA) on future options for wider council housing growth in South Yorkshire.

We recognise that a number of key housing stakeholders within Barnsley, including the ALMO board, tenants and residents representatives and staff other than the most senior officers within the Council and ALMO have not been engaged to date and that it will be important to ensure that all voices are heard as appropriate as the outcome of the review is subject to consultation.

### 1.2. Background

The Council is landlord to c18,000 tenants, with council housing having been managed through Berneslai Homes since 2002. Berneslai Homes as an ALMO, was established initially to enable the Council to drawdown funding to meet the Decent Homes Standard, and subsequently to manage and maintain the stock on behalf of the Council. Relationships with BH have generally been positive over the life of the ALMO. The Council and BH have identified some challenges around HRA finances, the management of some services and in the relationship between the two.

With the introduction of a new and enhanced regulatory regime for council housing from 2024, alongside what are understood to be growing financial pressures within the HRA arising from service demand, asset management investment needs 20 years on from the original Decent Homes programme, and general economic and inflationary pressures, this review considers the issues and options around the way social housing is managed in Barnsley, exploring both current and potential delivery and operating models whilst retaining the overarching agreement with Berneslai Homes.

A key theme is around what good looks like for accountability, finance and governance within the new regulatory environment.

This review is also intended to inform decisions the Council will need to take around planning effectively for investment and service delivery going forward, providing confidence for members to make informed investment decisions in relation to the council housing service.

The key underpinning themes within this review are therefore summarised below:

- Understanding what the Council, particularly the Council's leadership, wants and expects from council housing so that our review of the financial and organisational considerations is framed firmly in the context of member expectations, underpinning the detailed technical and engagement work we have carried out to date.
- Review of the HRA business plan, funding challenges, value for money, delivery of programmes, prioritisation of objectives within the financial plan, including a high level assessment around the financial interface between the General Fund and HRA, noting that the primary concern in Barnsley is the need to harness the HRA for investment, rather than (as in many authorities) a need to address a deficit financial position.
- Placing the financial position with Barnsley's HRA in the national context of enhanced financial pressures and service expectations.
- Exploring models for development and acquisition to support housing growth in Barnsley, noting that whilst the Council, alongside others within South Yorkshire, have generally performed well above average in terms of delivery over the recent past, there have been financial and other pressures on the programme recently and the pipeline is relatively shorter than it has been in the recent past.
- Understanding how the council housing service financed by the HRA might contribute more widely to the delivery of council objectives, around homelessness, temporary accommodation and social care (for example).
- Review of the delivery model at Barnsley and how this might be developed and adapted/refined to provide increased value for money to enable the delivery of more council objectives.

Recent Government announcements with the Spending Review (June 2025) have provided for a significant increase in the potential to raise more resources for social housing, for the rebranded Social and Affordable Homes Programme (SAHP), for the Local Authority Housing Fund (LAHF) programme, for remediation of building safety issues and for stability and predictability in rent policy. Further announcements in July on rent convergence and the Right to Buy have strengthened the position further.

Conversely, the recent consultation announcements on the Decent Homes Standard (DHS), Minimum Energy Efficiency Standards (MEES) and the implementation of Awaab's Law have the potential to increase costs for Barnsley's HRA above what is currently provided for in the business plan.



## 1.3. Methodology / Approach to date

We have reviewed an extensive set of documentation provided by the Council and BH, including:

- Budget, rent setting and business planning reports to cabinet/council for 2025.26
- Business Plan financial model
- Relevant Asset Management Strategy and Planning
- Details as appropriate of individual budget lines within the HRA
- Working papers and analyses supporting recharges between the General Fund and the HRA
- Berneslai Homes financial statements for 2023.24; management accounts for 2024.25 (estimated outturn), and Berneslai Homes budget reports for 2025.26
- Berneslai Homes delivery planning and objectives
- Details of the governance framework applying between the Council and Berneslai Homes
- Other supporting documentation.

Working papers supporting recharges/SLAs from the General Fund to BH are referenced in passing and we note that comparative information around recharges from the General Fund to the HRA in the widest sense are complicated by those charges that are made to BH and then form part of services financed from the Management Fee.

We have met regularly with a multi-disciplinary project team from the Council comprising officers from housing and finance with strategic oversight from the Service Director for Regeneration and Culture.

To inform this draft report, we have engaged with the following officers and members: Chief Executive of the Council, the Executive Director of Growth and Sustainability, Director of Finance, Service Directors for Regeneration and Culture, the Berneslai Homes Executive team and the project team of the Head of Service for Strategic Housing, the ALMO Clienting Officer, the Strategic Finance Business Partner for Growth and Sustainability, and the HRA Principal accountant lead; cabinet members and their deputies, and some individual members of the Berneslai Homes board.

We have organised this report around the three principal themes of: Financial Review, Organisational/Stakeholder Review and Influencing Growth and detailed analyses are contained within three annexes.

We would like to thank all those who have contributed their ideas, thoughts, insights and information to inform this review.

## 2. Financial Review of HRA and HRA business plan

### 2.1. Introduction

We have carried out a financial review of the HRA Business Plan, incorporating thoughts around benchmarking and comparative data with other similar authorities and nationally, and setting out some ideas around how the Council might establish a framework for decision-making in relation to the use of future headroom within the plan to bring forward investment to meet its priorities and objectives. We have also conducted a high level review of information provided on Berneslai Homes management fee and estimated outturn reporting for 2024.25.

### 2.2. Review of HRA business plan model

The HRA financial model is a bespoke model constructed by officers within the Council. The fundamental functionality of the model is sound, and whilst on the face of it, is limited in capability of modelling the impact of sensitivities and stress testing, we have been assured by finance officers that numerous additional versions of the plan are created that are used to undertake full sensitivity analysis. Ensuring full sensitivity analysis feels particularly important when the volume of borrowing in the plan going forward is £205m and therefore quite sensitive to changes in assumptions.

### 2.3. Review of HRA business plan assumptions

We have compared the assumptions in the model with the reporting to cabinet and Council for approval of the Budget and Decent Homes Capital Investment Programme. Key points are highlighted below.

Repairs and capital programme reporting: the business plan provides for an increase in repairs and maintenance budgets for a 5 year period but the reporting indicates that the increase cannot be afforded in perpetuity. We would point to the experiences of many HRA authorities within the budget and near-term business plan in respect of repairs, maintenance and capital expenditure. Work we undertook for the Local Government Association in 2023 and updated in 2024 identified very significant pressures, particularly on revenue-financed repairs, with a sector-wide increase in repairs budgets from 2023.24 to 2024.25 of over 12% on average. We have found with our client base that increases in repairs budgets have had to be incorporated into the business plan to address current and likely near-term future demand, but that a “reversion” of repairs budgets to their 2022.23 levels (in real terms) is an assumption that has been required, otherwise plans would become unsustainable.

Stock investment requirements in the plan: It is understood that 90%+ of homes have been recently surveyed (a figure confirmed in interviews with officers), with the balance being undertaken currently. Some external validation of the findings is also currently being undertaken. The assessment of future capital investment within the plan totals £1.025billion at 2024.25 prices over the 30 years from 2024 to 2054, representing around £57,000 per unit over that 30 year period. All expected headings have amounts included within the plan although we understand that the plan does not provide for full completion of EPC C upgrades by 2030. Our LGA research suggests that the average across England was around £62,000 per unit over 30 years inclusive of energy efficiency investment to EPC C standards by 2030. Given the impending inclusion of MEES into the Decent Homes Standard, it is essential that a robust and up to date estimate of EPC C investment to 2030 is included in the business plan.

Updating stock investment requirements: Despite the completion of such a substantial proportion of surveys, we understand that notwithstanding that the short-term investment plan has been refreshed, the long-term profile for the business plan has not been updated by BH officers to reflect these surveys. This is surprising as there is ample evidence collected to inform a refreshed and up to date profile and assurance around future profiles can generally be gained from smaller sample surveys. Without such an update, there is the fundamental risk that the business plan does not reflect what needs to be spent to maintain the stock over time. The obvious further risk is that the current amounts provided for are understated. The backdrop to this point is also picked up in the organisational review element of this report.

Assurance on stock investment needs: Overall therefore, we find that the Council ought to have substantial assurance on the profile being modelled given the volume of surveys undertaken but that a fundamental “update gap” remains the time of writing. The long-term profile should be kept under regular and close review, particularly in the light of any new supplier contracts being let that might affect unit rates within the projections, and particularly in the light of potential requirements for future investment into energy efficiency arising from the MEES consultation.

Financing stock investment and the capital profile: A key feature of the business plan is the reliance on explicit top-ups from revenue into the Major Repairs Reserve (MRR) to allow the financing of the capital programme on the existing stock. The plan is characterised as follows: total depreciation is budgeted at c. £12m pa, a figure which is well below benchmarks per property and towards the lower decile of depreciation charges nationally, however an the total revenue finding applied for 2024.25 was c£22m; this included top-ups made from revenue surpluses to support the programme to nearly double the level of depreciation. Therefore, we suggest a realignment is made noting that the next revenue impact is £nil within the plan. All capital expenditure on other items (development and acquisitions) is therefore financed from revenue, grants or borrowing in the plan, though we note there would not appear to be grant funding included within the plan. This approach therefore *de facto* prioritises investment into the existing stock from surplus revenue income, and whilst unusual, is an entirely supportable position.

Rents: Rent increases have been incorporated at CPI+1% for 2026/27, before returning to CPI only, as the business plan was produced at a point in time. Following the Spending Review, a CPI+1% increase for 10 years will no doubt become the core assumption for all social housing providers. There is also no assumption of reletting rents at formula rent. We understand that actual rents are over 5% below formula rents on average for the stock, greater than the national average for HRAs across the country. We estimate that changing this assumption could deliver perhaps over £50m additional revenues over a 30 year period. Such an assumption would not take account of the recent government consultation on rent convergence, expected to suggest either a £1/week or £2/week addition to CPI+1% rent increases to achieve formula rent convergence over a shorter period. Faster convergence might deliver a majority or all of that additional £50m+ in the first few years of the plan, at a time when financial pressures are significant.

Other assumptions: The inclusion of an annual addition to the stock via development and/or acquisitions is a welcome, if sometimes, relatively less common assumption than was the case 2-3 years ago. Specimen totals are included for all years with a larger amount every few years throughout. A total of over 1,000 new properties is built into the plan and fully financed. Our sense is that this is at the higher end proportionately compared to other authorities, although the switch from development to acquisitions is a very clear and established trend within HRA authorities.

Summary: Our review of Barnsley's HRA business plan and financial model highlights that the functionality in place is robust and based on assumptions which are fundamentally sound. From the evidence reviewed it would suggest that overall Barnsley Council's HRA is well managed, the integrity of the ringfence is maintained and the officers who manage the HRA have strong experience and knowledge in this area.

The financial plan model is reflective of what might be described as prudence, in that there is likely to be the potential for additional income within the plan and net property losses are likely to decline. We do recognise that there may be local reasons why such a prudent set of assumptions has been made, perhaps reflecting a wish to keep rents as affordable as possible.

## **2.4. Further policy challenges**

The point on rent increases is particularly important given recent consultations on Decent Homes Standard, MEES and Awaab's Law, summarised briefly below:

- Decent Homes Standard update: we might expect additional costs on revenue and capital, though we expect that Barnsley's stock survey will have covered off most of the changes and risk exposure might be expected to be relatively low compared to some other authorities.
- Minimum Energy Efficiency Standard (MEES): this sets a minimum EPC C measure for stock, for achievement by 2030; given the nature of the stock in Barnsley, we could expect this to be of significant impact in the business plan (the allocation within the MTFs appears low at c. £8m compared to expectations of costs).

In order to expedite effective future planning into the 2026.27 business planning round and beyond, the Council has no doubt been able to model the impact of the proposals quickly in order to respond to the consultations.

## 2.5. Comparative analysis

We have undertaken a comparative analysis of income and operating costs in the Barnsley HRA compared to the rest of HRAs in England, drawing upon our extensive database of outturn costs which now extends over 6 years. Necessarily the analysis is based on 2023.24 (and in some cases 2022.23). By rooting the analysis in audited accounts, we can derive assurance that the costs being compared have credibility though these exercises are often helpful for identifying outlying “out of kilter” measures which lead to further investigation.

We compared unit costs of management, maintenance, M&M together and M&M net of non-rent income; total M&M reflecting that authorities account for some cost differently between management and maintenance, the latter reflecting that some authorities have higher gross costs of management if there are many flats / leaseholders and those costs are recovered through service charges. Particularly relevant given the Barnsley context, we have included transfers to the Major Repairs Reserve by depreciation as an operational cost for comparative purposes, acknowledging that this would highlight where depreciation transfers may be a key factor in influencing the behaviour of authorities.

Gross management costs are lower in Barnsley than in the rest of the country, comfortably in the bottom quartile of unit costs – however this likely reflects that there is a lower than average proportion of flats in Barnsley compared to other authorities. Maintenance costs were within expected range, in the low-middle quartile nationally and broadly in line with other Yorkshire and Humber authorities. Gross M&M costs together were therefore lower than the expected range.

Net of non-rent income, however, Barnsley’s M&M costs were much closer to expectations, sitting in the lower-middle quartile nationally.

Depreciation and top ups to the Major Repairs Reserve were, as expected, higher in Barnsley than elsewhere outside London, and much higher than the other three South Yorkshire LAs albeit that Sheffield’s are very low and affect this average based upon budget figures alone. In terms of actuals for potential future outturn for 2025.26 it is understood that this will be more in line with benchmarks and the business plan assumptions will be re-aligned for 2026.27.

In total, Barnsley’s costs net of non-rent income were almost exactly the national average outside London and almost exactly the same as for the 20 authorities that had ALMOs in 2023.24.

In terms of “spend in the rent £”, Barnsley showed slightly higher than comparators for M&M net of non-rent income. This was also the case in 2022.23, though the differential might not be held to be significant and in any case might reflect that rents in Barnsley were relatively low (£83.99 compared to a national average of over £100 and outside London average of £92.64, though comparable to the Yorkshire/Humber/South Yorkshire average of £84.31).

As expected, HRA debt at Barnsley is lower than benchmarks – just over £15,000 per property in 2023.24 compared to a national average of over £18,400, though in line with Doncaster and Rotherham, well above Sheffield – the latter being a major outlier nationally. There is no evidence to suggest that Barnsley’s HRA is “over borrowed” or in any more indebted position relative to other authorities.

The business plan financial model, budgets and planning suggests a higher net spend on M&M costs than the actual for 2023.24 and an increasing further net spend on depreciation plus top-ups. We would expect this to be the case in 2024.25 given what we understand to be underspends in HRA budgets.

The depreciation and top-up amounts increase proportionately to ensure that the capital programme on the existing stock is able to be met from revenue income.

Whilst growing marginally, financing costs are never more than 11p in the £, a figure which compares favourably with many other authorities that see their borrowing increase in the forthcoming period to meet the demands of capital maintenance.

A further key point is that whilst surpluses grow over time, they do not grow significantly proportionately throughout the 30-year term; this is due to their primary use towards depreciation/revenue top-ups to meet capital maintenance needs from revenue.

This highlights a key point that the allocation of this expenditure priority does potentially constrain the future use of revenue resources (in particular revenue surpluses) once they have been transferred into the Major Repairs Reserve; we understand this may have been affected by the need to re-profile investment needs by BH officers according to latest stock survey data. The Council may want to review this approach to deliver greater flexibility over the future use of resources, especially given that capital costs might increase once stock condition survey totals are provided for and given an ambition to increase growth in supply.

## **2.6. Review of Berneslai Homes issues (high level)**

We have reviewed the Berneslai Homes Management Accounts for March 2025. The key takeaway is a trading surplus of £716k before tax compared to a budgeted deficit of £1,542k. This is a significant variance, and most notably differs hugely from the forecast outturn position at December 2024, by which point in the year projections should be able to be made with relative certainty.

Spending in respect of the management fee was significantly lower than budgeted, to a greater degree than might be expected as a result of lower utility bills. Projections at the end of quarter 3 significantly under-stated the forecast underspend in this area. Some of the variance may have been difficult to predict, particularly where supplier delays resulted in the need to re-phase budget.

However, if costs are recorded throughout the year, the actual costs to date should be factored into any forecast activity.

Lower pay settlements and staff vacancies had already been highlighted in earlier forecast outturn reports. However, these contrast with a sense from the Council that BH are always seeking more resources within the fee, a sense confirmed through interviews within this review.

The single biggest variance was in respect of repairs income, driven by a variance in repairs expenditure, with an income variance in excess of £3.5m. This is reported as a good financial outturn position for Berneslai Homes but the corollary is that the HRA has incurred additional costs over and above that anticipated or reported.

We have addressed the backdrop to the PRIP contract below and how this might be impacting the ability to accurately forecast job costs and projected outturns. However, any swing in projected overspend to actual underspend or vice versa on repairs suggests something fundamental to address in terms of day-to-day job management. The Corporate Assurance Report on the year-end variances provides a degree of detail for both the Council and particularly BH's Property Services to respond to.

For the purposes of this report, we note that the advent of significant year-end variances from budget, we understand also occurring over more years than 2024.25, act to undermine the confidence that council officers, particularly council finance officers have with financial reporting prepared by BH and by extension the feeling that financial controls and assurance are not where they should be within BH. For their part, BH officers have suggested that the process for monitoring and maintaining financial records are affected by the complex interplay of relationships within the PRIP contract.

Savills colleagues have been conducting a detailed review of the operation of repairs, maintenance and the PRIP contract for the last year and we have summarised below how this impacts this report.

## **2.7. Management Fee**

It is understood that the Management Fee is subject to annual and ongoing negotiations between BH and the Council. It is understood to be some years since there was a "formula-based" approach to setting the fee, and we also note the Services Agreement between BH and the Council which should set out the basis for the fee could not be traced in the signed version from 2021 that was reviewed.

The calculation of the management fee is provided at a high level within the Berneslai Homes draft 2025.26 budget, but there is not a significant amount of detail provided, which might also undermine the degree of knowledge held by council officers.

We have commented further below on the process for setting the management fee, but from a financial perspective, the make-up of the BH budget could, and ideally would, be more transparent to the Council.

In other reviews of this type, we have identified a trend over many years within the ALMO movement to regard the management fee as an amount that comes in as income which is then allocated between spending areas according to the priorities set within the ALMO and by the board. To an extent, this is consistent with the notion of "delegation" of management functions.

However we have seen risks arise as a result of an absence of transparency over how and where resources are deployed, particularly where an ALMO may have diversified service delivery, undertakes services on behalf of the General Fund or even where surpluses have been returned to the Council.

The responsibility for the Council to report on service headings within the HRA continues to apply in an ALMO context and unless there are areas of confidentiality and privacy that would obviate the need to do so (and we are unsure of what these might be), there would not generally seem to us to be a reason not to share detailed budgeting and cost allocations between an ALMO and the Council.

At the same time, services and resource allocations have been delegated to the ALMO board and detailed management of ALMO spending budgets by council officers is not appropriate.

It may be that the issue can best be addressed through an exercise to understand whether there might be opportunities to raise additional income in an HRA context (for example by additional or new service charges) and for both BH and council officers to develop greater understanding on both sides, to develop better communication which tends to work best when both organisations are fully open about decisions that are being taken. This applies to both ALMO budgeting and resource allocation and the allocation of resources within the HRA and the HRA Capital Programme. We have suggested below that a joint Business Planning group would be a good forum with which to share data, information, perspectives and ultimately a shared understanding of the assumptions being made and the impact of the outputs for the Council's overall spending priorities. We understand such a group has recently been established noting that HRA business planning is a council function and it is important in all approaches that roles and responsibilities are clearly defined.

## **2.8. Commentary on recharges into the HRA**

A review of the 2024.25 recharges between the General Fund and the HRA has been undertaken by officers in the Council. We would not highlight any significant issues from our review.

## **2.9. Future financial capacity**

### Setting metrics

The Council has a relatively sophisticated approach to the setting of prudential indicators for the HRA as required under legislation and officers are known for keeping up to date with the latest developments in relation to the setting of assumptions and the monitoring and measurement of capacity and headroom for future investment. The business plan financial model therefore incorporates the measurement of the following key metrics:

- Operating margin
- Interest Cover Ratio
- Debt : Turnover Ratio.



The projection of these metrics and their comparability with other authorities, industry benchmarks and golden rules is materially impacted by the approach towards the treatment of revenue top-ups to the Major Repairs Reserve. Key features and factors which we have noted include:

- Interest cover is below 1.0 for the entire of the plan, reflecting that operating surpluses are being compared to gross financing costs only, excluding any reference to interest income (otherwise HRA deficits would arise progressively over time).
- Operating margins show as low at less around than 10% in all years.
- Conversely, Debt:Turnover is low, and reduces materially during the course of the plan, highlighting that debt in real terms, reduces over the business plan term.
- Whilst interest cover and operating margins are at a low level in both HRA and housing association sectors, the target golden rules of 1.25 for interest cover and 20% for operating margins for Barnsley remain sound comparatively, although we note with rent increases up to CPI+1% for 10 years from 2026, we expect operating margins to recover significantly during that period, in both sectors. It is also important to note that the General Fund could charge approx. c£2m additional interest into the HRA based on our review of the treatment of internal borrowing and noted in the headline report.

Clearly, a low debt:turnover combined with low margins and low interest cover would ordinarily be associated with high operating costs. But as we have seen, there is no evidence that revenue operating costs are higher than average.

## Potential approaches

The approach to the inclusion of MRR top-ups affects comparability, and it would be worth the business plan including an analysis of the data for interest cover and operating margins before and after the inclusion of these top-ups.

It is emphasised that whilst there is “no right or wrong answer” to this. However, the approach within the current business plan which prioritises investment into the existing stock is likely to require a refresh to take account of increased investment needs.

It is likely that a) there will be significant additional resources available within the business plan from increased rents, both over the short and long-terms, and b) there will be increased investment needs relating to energy efficiency (at least) from revisions to the stock capital investment profile (we might expect compared to benchmarks), and with an increased appetite to grow the stock. This makes it important to take a step back and consider alternative approaches to the setting of investment priorities and the allocation of resources, whilst continuing to adopt the robust and prudent approach to capacity management that the Council operates.

Put simply, this might mean greater reliance on more borrowing, or a switch to the use of revenue resources towards different programmes. It is stressed again that the allocation of resources should be a matter for the Council working with its stakeholders in BH, and engaged tenants and residents.

## 3. Organisational and stakeholder review

### 3.1. Introduction

This section focuses on a commentary of findings from the documentation review and officer engagement to date. The aim is to summarise both existing strengths and future opportunities for enhancement within the context of the Council's strategic priorities and aspirations as well to assess the challenges and pressures that have been shared with us. There is the need to improve accountability in the context of a continuing ALMO model.

By way of reminder, it is emphasised that we have interviewed officers only at senior levels within the Council and ALMO, and a number of officers have been present at more than one interview, and engaged with senior members at cabinet level only. We have however taken account of a parallel review that Savills is undertaking in respect of repairs, maintenance and investment and specifically the operation of the PRIP contract, as many of the issues and tensions highlighted below appear to be driven through that part of the relationship.

### 3.2. Note on performance

The Council and Berneslai Homes has an extensive suite of reporting and an overview suggests that the way in which performance is reported leads to substantial assurance within both the Council and the ALMO. Membership of HouseMark allows comparison of performance across the social housing sector as a whole, as well as within local authorities and ALMO authorities. It is understood that Barnsley and BH have shown in the past as "low cost" and "high performing" but as above, there is no real evidence to suggest that costs are significantly different from benchmarked expectations for landlord services as a whole

We have not repeated a commentary on performance here, though we have for completeness reported below on our analysis of the first year of Tenant Satisfaction Measures, an update for which is expected shortly.

Our analysis shows that Barnsley's inaugural TSM performance falls into the upper end compared to the entire sector including local authorities and housing associations, and particularly in respect of local authorities (39<sup>th</sup> of 158 authorities). Barnsley's performance was comparable with those authorities with ALMOs where the ALMOs remain in place.

### 3.3. Summary findings

The feedback received from officers and cabinet members has been extensive. We have set out some high-level observations where these are not covered elsewhere within the overall report. This is not an exhaustive list but have picked out what we feel are the key factors.

1. There is a widespread shared and common desire to provide services positively for tenants and communities within Barnsley – but there is some friction and tension within the relationships that require addressing.

2. The relationship could be characterised as having a “robust clienting process” though council officers might argue that resources are limited in being “too robust”; nevertheless, there is a feeling on all sides that the clienting of ALMO performance seems to take greater weight over the role of the ALMO board.
3. There is a feeling within all council officers that Berneslai Homes has a tendency to want to hold on to resources, whilst pushing for more management fee; this is also in the context of vacancies and underspends in BH. However, BH officers feel that they are unsighted on the resources available within the wider HRA.
4. There have evidently been issues around financial control in BH around voids and repairs management.
5. Complaints have had a significant focus in the recent past, although we note that this is far from unusual in social housing as a whole.
6. Tenant engagement takes place regarding the TSMs and the role of tenant and resident engagement is felt to be positive, albeit that there are the “usual” diversity issues, especially with the Tenant Voice Panel – work to diversify engagement opportunities is ongoing.
7. The Council has an Asset Board which is in addition to governance structures set out below; we understand that the Council’s finance function wishes to have a stronger handle and input to the future direction of the Asset Management Strategy.
8. There has been extensive discussion around future rent policy given recent announcements from government towards CPI+1% rent increases for 10 years and the potential for quicker rent convergence to formula rents; given there is likely to be increased revenues within the HRA, there is consensus that the Council should redefine its offer to tenants, with a clear and agreed definition of what future prioritisation means for tenants and residents.
9. The key points around a “high quality” offer incorporate a high standard of repair, the external environment as well as the potential to grow the stock with any additional resources that may be available within the HRA.
10. Related to the point around redefinition of the offer appears to be an acceptance by officers and members across Barnsley that there might need to be a disinvestment programme for some stock in the light of MEES and Net Zero targets – we understand this is to be investigated by council and BH officers.
11. Following the conclusion of this report, there should be a comprehensive dialogue with engaged tenants and residents around the future offer, and how resources should be prioritised within the asset management strategy and business plan.
12. There is a widespread feeling towards positive performance for many areas of service delivery, for rent collection, on building safety, and front-line “on the ground” partnership working between council and ALMO officers. This was no doubt reflected in the recent C1 regulatory judgement (alongside the availability of data towards stock condition).

13. There is a perceived lack of visibility from BH over the HRA business plan, we have seen evidence of workshops and sharing of the plan take place where the whole business plan is discussed but to note we have not reviewed the detail. It has also been noted (see above) that there appears to have been a lack of visibility from council officers on BH's finances and business plan. All participants acknowledged that the recent appointment of the Finance Director for BH has helped to unlock some of the communication and other issues that have arisen. The challenges within forecasting at BH have been noted elsewhere and are largely operational in nature - it is important that the Council works with BH to address these challenges together, and it is important both that BH officers accept responsibility and are held accountable for their operational challenges.
14. Within PRIP, the split of functions between the Council, Wates and BH often leads to confusion as to who bears responsibility for what; this is subject to Savills specific and separate review, but it is noted that this does inform much of the engagement and liaison between Council and BH – our sense is that the PRIP contract challenges have undermined the wider trust and confidence in relationships, however noting that the underlying principles within the contract are felt to be sound.
15. Senior leadership within the Council want to ensure that BH is providing best value – all stakeholders also want this – and it is important that best value is seen as an issue for both the Council and ALMO working together.
16. This suggests therefore that the issues around the relationship are focused around just that... the effectiveness of relationships rather than anything fundamentally wrong with the basis for the ALMO model.
17. Clearly council officers, particularly finance officers, feel they need more assurance and confidence in the way BH operates and the fiscal controls within the ALMO. Clearly also BH feel under pressure to respond to challenges when they feel themselves not in possession of the full picture. This in turn has led to defensiveness on both sides and subject to greater clarity over roles, should be addressable through a commitment to joint working.
18. There is a feeling across council officers that the ALMO board could operate more strategically and less operationally.
19. This is not to say that there is not a need for a robust client function, particularly at times of financial challenge; however the nature and interplay between the roles of the client function and the board would appear to be the key to moving forward with a shared vision of how the governance and accountability relationship should work going forward.
20. In turn this suggests the need to draw out objectives around an “optimal” basis for the role of the board and the client function to best service Barnsley in the context of the needs of members and tenants of the Council, and the prevailing financial challenges which need to be addressed. It would be widely recognised that developing a narrative around the “optimal” basis would also incorporate the need to work towards that basis over a period of time, allowing trust to be rebuilt, and in which we might expect council officers to continue to exercise close control on behalf of members and senior directors within the Council.

21. In summary, this could be characterised as follows... there is consensus that with an ALMO in place, the role of the ALMO board should be more pivotal and central within the assurance framework than all agree that it currently is; at the same time, it will take time for all to work towards building the framework for that role to develop.

### 3.4. Accountability and Governance Framework

We have considered and discussed the role of the various meetings within the Council's Accountability and Governance Framework. There are some key factors for Barnsley in the context of this analysis.

The first is the volume of meetings engaging council and ALMO officers on assurance and strategic delivery / performance monitoring. This volume appears to have arisen over time as a result of the challenges on repairs, maintenance, investment and perhaps even the financial variances within BH; in a standard "Business as Usual" context, there would not appear to be a clear rationale for the volume.

We understand that within this, the clienting governance structure itself comprises three meetings – a Core Meeting (operational), a Strategic Assurance Meeting (essentially contractual in terms of meeting the Service Agreement) and a Strategic Liaison Meeting (with tenants having a voice directly with the council landlord).

All officers have made it clear that they do not want to be in too many meetings. In our view, if there is an opportunity to consider rebadging some of the meetings as ones which engage in working together to solve issues, this may reduce the need for volume as well as promote a greater sense of joint working.

The second is the nature of the language which sometimes accompanies the Terms of Reference: reference to terms such as "ensure", "hold BH to account", "provide council assurance", "council clarity", whilst of course not incorrect in terms of meeting purpose, might better be framed as: work together to deliver assurance around regulatory compliance, effective performance and oversight for both Council and ALMO around delivery of strategic objectives.

We have set out two overall models to help frame a discussion for consideration. The two models are intended to be "generic" to describe the two ends of a spectrum in which there is effective full delegation to the ALMO board or where there is a more proactive client role taking a lead in assurance reporting.

#### 1. "Delegated" model

- Full delegation of all services, compliance and assurance to the ALMO board
- ALMO board receives all data, performance and assurance around compliance
- Council assurance via ALMO reporting into enhanced Partnership Board
- Tenant engagement is primarily within the ALMO
- Role of client officers to provide sense check/second check on information prepared by ALMO officers and presented by the ALMO board to the overarching Partnership Board

In the delegated model, the primary accountability flow is from ALMO officers delivering the service up via the ALMO executive and board across to the cabinet and Responsible Officer.

## 2. “Client-lead” model

- Delegation of all services to the ALMO board
- Primary responsibility for compliance reporting is with council officers
- ALMO board receives all data, performance and assurance around compliance but does not necessarily have a role reporting these to the cabinet/leadership
- Council assurance via its own officers collating and providing compliance data up to cabinet/committee
- Tenant engagement is via the Council
- Much greater proactive assurance role for client officers, including reliance from cabinet and executive within the Council as “responsible” for what the ALMO does.

It is interesting to note the extent to which Barnsley has features of both models.

- The existence of a Partnership Board overall with board and cabinet participation, along with resident input, is undoubtedly seen as good practice.
- However, the close monitoring of the ALMO by client officers suggests elements of the “client lead” model, notwithstanding the fact that the client team is felt to be thinly resourced.

### 3.5. Accountability and Governance commentary

We have no doubt that the close monitoring at a range of meetings has arisen as a result of the particular circumstances of the repairs service and PRIP contract, and it seems likely that the complexity of the arrangements within that contract have also driven a sense of a need for close control. It may be that the operation of the contract has somehow encouraged a greater mindset of “client:contractor”. Whatever the cause, our sense is that the model as it currently operates given that it involves officers at multiple levels in multiple teams within both the Council and BH has risked not encouraging effective oversight by the ALMO board.

As with financial capacity planning, there is no right or wrong answer as to what is the best oversight model, and the optimal approach for any ALMO authority would need to be seen within the political and cultural backdrop of the Council.

Whatever challenges are applying in the Barnsley context, there have been some successes: the C1 regulatory judgement and a business plan that is fundable and viable in the context of how it has been set, despite the risks. The model that develops must suit the specific local circumstances at Barnsley, and the way in which members and senior council management want to exercise oversight over the delivery of their strategic priorities.

Ultimately, the way in which the governance relationship evolves will be a function of the answer to the following question:

- What type of ALMO does the Council want – and what kind of ALMO board supports that objective?
- Is the board an advisory committee that sits outside of the main accountability and regulatory framework?
- Or is the board part of the effective governance structure around the delivery of the delegated functions?

Barneslai Homes would argue that to get the best out of the board and its expertise, it would be preferable to seek a model in which the board played a pivotal role in the overall framework for governance and accountability. We have no sense that the BH board would not be capable of that role given its makeup and skills (particularly including tenant and councillor members), although it is stressed that we would need to do further work to come to a firm assessment.

For the Council and council officers, a critical factor in the ALMO board playing a more pivotal role would be around assurance the board would undertake the oversight that client officers currently are. A clear and achievable plan to elevate the role of the board and its relationship with both the cabinet/Responsible Officer and the BH executive team would be required in these circumstances.

### **3.6. Cross-reference to Repairs and Maintenance Review**

Work has been undertaken for Barnsley by surveyor/technical colleagues at Savills commencing in 2024. The engagement has primarily been around the operation of repairs and maintenance, and within that overall context, how the Property Repairs and Improvement Partnership (PRIP) contract operates. The work undertaken has been extensive and as well as being focused on the detailed operation of the contract, process mapping and associated technical support and advice, has also highlighted areas around governance and accountability within the contractual arrangements between the Council and Barneslai Homes. In that context, some of the key findings and proposed improvements coming out of the work influence this review, particularly as much of the tension within the relationship between the Council and BH has been focused on repairs and the PRIP contract.

Priority improvements around the operation of repairs and maintenance were identified and reported to the Council and BH senior officer leadership around 12 months ago. These included the need for a comprehensive and costs picture of repairs, maintenance and investment need to be provided by BH to the Council, clarity around medium term delivery plans and clarity over operational and financial controls, roles and responsibilities.

There is a need for greater clarity in the governance of repairs and capital investment (including within the PRIP contract) which would require a restructure of the governance between the housing client, finance function, Barnsley Property Services within the Council, and the management of Barneslai Homes, including BH Property Services.

The key findings supporting this overarching priority resonate strongly with the feedback from officers engaged within this review.

In the context of this report, the findings and priorities for action are critical to inform an improved degree of trust between the council officers and BH. This will need to be worked through in detail over the forthcoming period to put in place the changes needed and to support the rebuilding of trust in the relationship.

In summary, from the perspective of business planning and asset investment relevant to this review:

- The Council as client should be setting and agreeing the overall business and Asset Management plan, albeit that this is collaborative engagement between the Council and BH based on shared goals and objectives; to be clear, we would see no place for BH officers to prioritise investment that was not agreed by council officers in line with the strategic objectives of the Council.

- BH should be focus on day to day prioritisation, risk management and the setting, monitoring and achievement of Performance Indicators and metrics for asset management and repairs.

From the perspective of the Council/BH relationship, we have identified the need for the greater clarity referenced above to lead to a “new normal” based on the Council setting the Asset Management Strategy, council and BH officers working together on financial planning, Berneslai Homes lead on delivery planning and actual delivery, and there is robust reporting back on performance including financial performance based on transparency and visibility from BH.

The fact that there are now 90%+ surveys and no revised long-term investment profile added to and fully appraised within the HRA business plan tends to demonstrate the way things have gone wrong. In this context, it is perhaps understandable and appropriate for council officers not to want to fully delegate matters to BH board and officers at a time when confidence levels have been low, and there have been budget and financial variances.

Work to put in place the clarity as set out above will take time, and can only be achieved by working together with a shared understanding of respective roles.

A joint approach to business planning is a positive place to start, as all elements of service and investment delivery are influenced and captured within the business plan. We recognise that with the recruitment of finance resources within BH, that the process of working together towards a revised and refreshed business plan has begun.

For the Council, this means the need for a commitment to allowing the required clarity to develop. For Berneslai Homes, this means recognising that rebuilding trust will take time and only a sense of openness and transparency can underpin the move towards placing the ALMO, and therefore the ALMO board, in a position where it is able to deliver the required assurance.

### **3.7. Summary**

We have been impressed by the clear sense of commitment from all those engaged to date as the overall shared endeavour to achieve the best for the service and for tenants and residents.

We have no specific issues with any of the documentation we have seen and the overall structure for accountability and governance, other than the volume of meetings is large, potentially leading to repetition in the governance process, and the language can sometimes feel a little combative. This is almost certainly a bi-product of the PRIP contract working as it does and the issues highlighted around repairs, maintenance and investment. Fundamentally, therefore, the issues that have been identified and relayed to us would appear to come down to trust and communication between officers, in the context of a need for clarity of roles and responsibilities.

In order to generate a further sense of “joint endeavour”, some of the committees and review groups might better be rebranded (if not actually reconstituted) as working groups with a common purpose – one on common business planning for Council and BH officers feels essential, with the Partnership Board signing off both. We understand the basis for this is already in place and is likely one of the most critical engagements for officers on both sides.



Finally, the role of the ALMO board within the Assurance Framework should be clarified; there is consensus that delegating landlord services to an ALMO should be accompanied by an ALMO board that is pivotal in providing assurance to the council as landlord.

A design for how that might look in Barnsley should be agreed by the Council and BH, and a clear plan generated to move towards it, giving time for the issues around repairs and PRIP to be addressed. Joint working towards a refreshed business plan and Asset Management Strategy feels integral to support this development.

## 4. Delivering growth in Barnsley in the county and national context

### 4.1. Introduction

We have reviewed progress towards the development and acquisition of new homes within the growth agenda for Barnsley and have set out some thoughts on options for the delivery of new homes, a commentary on how Barnsley can contribute to national housing objectives and offering insights to support Barnsley in influencing national housing policy. Annex 3 provides further commentary and we have summarised the key points below.

### 4.2. Barnsley's commitment to new development: to date

We have undertaken work alongside and with the Council as part of a South Yorkshire MCA initiative around a wider commitment to council housebuilding in the county and in the run up to the Spending Review. Our view is that the South Yorkshire authorities have been amongst the most proactive in the HRA sector. Barnsley has undoubtedly been a key player in that story. By the autumn of 2024, the Council has completed or acquired 207 new homes for the HRA, and there are plans to continue the programme going forward (see below).

There has been a focus on relatively small sites, infill sites, almost always HRA, setting high design standards and specifications, especially around low carbon/energy efficiency. The Council has always had one eye on acquisitions (especially Right to Buy buybacks) as well as development. The focus of delivery has been on social and affordable rented homes. The approach to procurement has been "traditional" i.e. on a scheme by scheme, project by project basis, seeking competitive tenders from contractors to deliver Barnsley's design specification. The availability of, and value for money provided by, contractors within the borough has become more limited.

Funding for the homes has been from a combination of sources, primarily for Barnsley via the use of RTB receipts, borrowing and the use of reserves. Grant has been less of a key factor at Barnsley given the importance of deploying RTB receipts. There has also been positive use of LAHF grant.

### 4.3. Recent challenges and forward forecast

Virtually every single authority in the country that has some form of development programme has taken decisions to either defer development pipelines for a number of years to allow time and resources to invest in the existing stock in the short-medium term, reduce or otherwise scale back development programmes over the short to long-term, and/or switch direct development schemes for acquisitions, either of s106 properties (with development risk transfer to the private sector) or more commonly to opt to acquire standing stock

The outcomes for Barnsley have seen a reduction in ambition to c. 20 acquisitions annually with funding allocated on a specimen basis for greater involvement in growth in the future, with a programme of £44m over the next few years (from 2024) to deliver an additional 200 additional homes for the HRA. There is a nod to future growth with the inclusion of a nominal £2m pa for growth on an ongoing basis from 2030, although the basis for this allocation would appear to be a function of what is left over for investment after the programme for the existing stock is met – and met from revenue.

## 4.4. Policy backdrop

Nevertheless, there remains headroom within the business plan to consider options for expanding future programmes, certainly from a financial perspective. This will increase with the policies and funding streams that have been announced within the Spending Review. The Social and Affordable Homes Programme has been increased by over 50% for a 10 year period. LAHF Wave 4 funding has been announced totalling £950m.

## 4.5. Delivery models

As set out above, to date the track record in Barnsley for new build has been focused on high specification designs let to contractors to build to the Council's specification, on relative small sites. Challenges in the market are leading to all authorities having to consider different approaches.

The key alternatives for development are around alternative procurement:

- **Development Agreement** - with either developers or partner housing associations or both.
- **Programme Approach** with smaller sites aggregated into an overarching programme let to a single developer contractor over an extend period.

Both of the above alternatives are likely to provide access to skills and resources that the Council may not already have readily available to it (or would otherwise have to buy in at considerable cost).

In commenting on these options, we note that there is a potential gap at both the Barnsley Council level and the national (Spending Review) level around the role of regeneration in making a contribution to new supply, and to potentially address challenges in some areas of the existing stock.

## 4.6. Policy initiatives for Barnsley?

In terms of setting out some thoughts for how and where Barnsley might engage proactively with Government, the MCA and policy makers, we have therefore identified the following (at a high level to be expanded on in the next draft following discussion):

1. Continue to work with South Yorkshire partner authorities and the MCA to develop a South Yorkshire wide programme for council housebuilding. There is no doubt that this there is a key opportunity that chimes well with many aspects of government policy with the right approach to partnership.
2. Push for regeneration and redevelopment schemes to feature strongly within the AHP and therefore within the single settlement for South Yorkshire.
3. Continue to argue for higher standards to be applied to new build and development schemes, particularly coming through section 106, with the associated direct impact on grant levels and availability.
4. Critical for Barnsley also, is the capability and capacity to deliver on the growth agenda for the borough whilst also meeting the needs of the existing stock, particularly in the context of Decent Homes Standards, MEES and Awaab's Law – engagement with other authorities to campaign for realistic and proportionate long-term sustainable funding for the existing stock is an essential component of this, to ensure that headroom is available for investment into new homes.