Please read this newsletter as it includes important information about proposals for changes within Bernicia.

**Our proposals**
Read about our plans to create a single landlord for Bernicia.

**Why we want to change**
Understand how Bernicia is structured now and why the changes are being proposed.

**Your questions answered**
Find out what would change and what would stay the same.
Proposal to create a single landlord for Bernicia

Since the merger in June 2016 between Bernicia and Four Housing, we’ve made great progress in achieving what we set out to do.

We now operate with a single Board and Executive, integrated staff teams and a common purpose, which is to look after our tenants and their homes.

By being a bigger, stronger and more efficient organisation we’ve already made savings of £5 million, which will enable us to invest more in existing and new homes and services.

There’s still a bit of work to do on our post-merger plans, which we will tell you about later this year. The main thing you will see by October 2017 is the use of the Bernicia brand across the whole business and withdrawal of the current Four Housing brand.

So, we’re already operating as a single company and by October 2017 we will look like a single company. However, below this, our structure is quite different.

Bernicia, at the moment, is a group of 4 housing associations and we think there is another step we can take to simplify our organisation and in doing so make even more savings and efficiencies.

We believe it would be simpler and more efficient if all tenants and residents within the group had one landlord and this is what we would like to hear your views on.

This is our formal consultation with tenants and residents and your opportunity to be able to comment on our plans.

The proposed changes to our structure would not affect your rights, tenancy, lease, freehold agreement or the way we set rents and charges.
Even though we are part of the same group, each housing association is legally separate. This means we are registered and regulated separately and each housing association has its own properties, tenants, employs its own staff and has its own accounts and funding arrangements.

Whilst we already have a single Board, the Board is required to make individual decisions for the separate housing associations.

These arrangements are quite complicated and mean a lot more administration, a lot more red tape and much less flexibility than we would have with a different structure. This isn’t the most efficient way to work any longer. We need to totally focus our efforts on delivering excellent services and providing good quality homes. We believe a single housing association would help us achieve this and create much more flexibility to invest in areas that need it most.

Being one landlord would make us financially stronger and better placed to deal with economic challenges ahead and protect and grow our services.

Investment would be needed to fund the changes but the initial outlay would be far outweighed by forecast savings of £22 million over the next 30 years.

The proposed changes would also allow us to access additional funds that we could then use to invest more in existing homes and services and build new homes.

We are already operating as a single virtual organisation therefore our current structure no longer makes sense.

Forecast savings of £22 million over the next 30 years
We know any change can raise a lot of questions so we’ll try to answer a few things we think would be important to you.

**What is the proposal?**
Bernicia would like to bring all of the housing associations together into one single landlord.
However, we need to consult with a number of people and organisations.

**How would the restructured organisation be run?**
There would be no change, Bernicia would continue to be governed by a single Board. The main difference would be the Board would only have to make decisions for a single housing association instead of 4. The Board would continue to be made up of members with appropriate skills and expertise.

**What would the benefits be?**
The aim of the proposed changes is to make sure we continue to deliver high quality, consistent services to everyone. We want to streamline our structure to cut out administration and red tape, make savings and raise more money, so we can spend more on improving homes and services and building new homes. We also believe the changes would provide the opportunity for an improved business wide approach to working with and learning from our tenants and residents.

**What would tenant and customer engagement look like if the structure changed?**
Our involved tenants have already started to work together to help shape the future of Bernicia. So with or without the changes, our tenants would continue to be involved at a range of different levels.

**What would be different?**
Legally, the identity of your landlord would change and it would simply be known as Bernicia. Changes to the legal structures are really changes behind the scenes, and many of the things we think are important to you would stay the same.

**What would stay the same?**
If we go ahead, the proposed changes to our structure would not affect your rights, tenancy, lease or freehold agreement or the way we set our rents and service charges. The terms of your agreements would not change. We’re already working with tenants to develop group wide policies and service offers which would not change as a result of bringing the housing associations together into one single landlord.

All 4 housing associations are charitable community benefit societies known as exempt charities. This means that, although they are still charities and have to follow charity law, they are not registered with the Charity Commission. They are instead registered with the Financial Conduct Authority (FCA). The single landlord would be a community benefit society registered with the FCA.

The way we deliver services from our head office in Ashington, local hubs in Durham and Berwick and at our sheltered and supported schemes would not change.

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**Key facts:**
- Your tenancy conditions and rights wouldn’t change.
- Your rent and the basis for future charges wouldn’t be affected by this proposal.
- If you are a leaseholder, it wouldn’t affect your lease.
- Your statutory rights as tenants or leaseholders wouldn’t change.
- Services would continue to be provided by the same people.
- Existing contracts with partners wouldn’t change as result of this proposal.
Bringing in the proposed changes

There are a number of steps that we would need to take before the 4 housing associations could be brought together.

The proposal to change to a single landlord would only go ahead once we have the views of tenants and residents and the Board has considered those views alongside other factors.

**Step one**
The Board has already considered an initial business case and made the decision to start consulting you on the proposals.

**Step two**
Consultation and engagement with tenants, residents and other stakeholders, such as local authorities and funders (this is happening now). This is your chance to have your say. To find out how you can do this see the next page.

**Step three**
The Board consider the detailed business case for joining together, along with your consultation responses and any other relevant information. They would then decide whether to proceed.

**Step four**
If the decision at step three is to proceed with the new structure, Cheviot Housing Association, Wansbeck Homes, Three Rivers Housing Association and Berwick Borough Housing would merge into one and become Bernicia. Legally, the identity of your landlord would change to Bernicia.

**Step five**
We would notify you of the decision and any changes to the name of your landlord.

**If this happens, when would the changes go ahead?**
If a decision to proceed with the change is made, the aim would be to simplify our structure into one landlord by April 2018.
An important part of this process is asking you what you think about the proposed changes

We are sending this newsletter to all of our tenants, leaseholders and shared owners to give everyone the opportunity to comment on the proposed simplification of our business and/or ask any further questions.

If you have any comments or questions please complete the enclosed form and return it to us by freepost (no stamp required). Alternatively you may email us on consult@bernicia.com, post a comment on our website www.bernicia.com or speak to us by telephoning 0344 800 3800.

All comments will be reviewed by our Board during November 2017, so if you have any comments or questions we need to hear from you by 5pm on Monday 2nd October.